

TRANSCRIPT OF PROCEEDINGS
 Meeting of the
 SUBCOMMITTEE ON FUNCTIONAL CONSOLIDATION
 of
 LOCAL GOVERNMENTS

Los Angeles, California
 February 28, 1958

Members of Subcommittee

Frank Lanterman, Chairman
 Carl A. Britschgi
 Ernest R. Geddes
 Seth J. Johnson
 Clark L. Bradley, ex officio

California Legislature

ASSEMBLY INTERIM COMMITTEE

on

MUNICIPAL AND COUNTY GOVERNMENT

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ASSEMBLY INTERIM COMMITTEE
on
MUNICIPAL AND COUNTY GOVERNMENT

Clark L. Bradley, Chairman

Meeting of the Subcommittee on Functional Consolidation
Los Angeles Police Auditorium - February 28, 1958
Frank Lanterman, Chairman

Present:

Frank Lanterman, Chairman
Roy J. Nielsen
Ernest R. Geddes
Seth J. Johnson
Clark L. Bradley, ex officio

Staff Present:

Milton R. Farrell, Research Director
Mrs. Cristine B. Harrison, Committee Secretary

TRANSCRIPT OF PROCEEDINGS

LANTERMAN: The hearing of the Subcommittee on Functional Consolidation of the Assembly Interim Committee on Municipal and County Government will now resume. We will start off the presentations on information relating to the county contract service system at this time.

Arthur Will, Sr., former Chief Administrative Officer of the County of Los Angeles, will make the first presentation. Mr. Will, have you some comments to make?

ARTHUR WILL, SR., Former Chief Administrative Officer, County of Los Angeles: Mr. Lanterman and members of the Committee, do you want to ask me questions, or do you want me to make a statement?

LANTERMAN: Mr. Will, I think the background of information relating to, not the origin so much, but the purposes and the use of the contract system as it was developed under your Department for the use of these newly incorporated cities, would be of very great interest to the committee.

WILL: In the initial stages, the first city that incorporated and asked for contractual relationships with the County of Los Angeles was the City of Lakewood. Lakewood did this, as I understand it, because they had a limited amount of time and couldn't organize their entire municipal services without borrowing some from other communities. They made a proposal to the County of Los Angeles through their Mayor and their City Manager, Mr. Bob Anderson, whom I expect you will hear from later and who will correct any statements that I make, or have made, at that time.

We entered into a full-fledged contractual situation with the City of Lakewood to furnish all services for them with the exception of those of the City Attorney and the City Clerk - and of course the legislative function. This pilot plan was very carefully worked out by their officers, the County Counsel under Mr. Harold Kennedy, and my office through Mr. John Leach.

I think that probably the best qualified people to talk on this specific subject are Mr. Robert Anderson, formerly City Manager of Lakewood, later the City-County Coordinator for the County of Los Angeles, and presently the County Manager of the County of Riverside, and John Leach of the C.A.O. Office of Los Angeles County.

I think that probably these two men have more information on this particular subject than any other group of people.

We have contractual relationships of various types and kinds with many cities. The history of contractual relationship in Los Angeles County started actually prior to our relationship with Lakewood, but it was not talked about very much and not too many people knew about it. At that time we had a small number of cities within the county - 41 or 42 cities - but there were only six health departments - one in the county and five in cities; the cities of Pasadena, Long Beach, Beverly Hills, Vernon, and the City of Los Angeles all had their own health departments.

Way back in 1927 or '28 Dr. John Pomeroy made arrangements with all of the other cities of the county to provide health services for their cities, including not only the health services that are normally required by the State Health Code and enforced normally by the county, but also to provide the supervision of local health ordinances within the cities themselves; and so, we have a background, as far as the health services of this county are concerned, that extends for a period of thirty years, with a great deal of success.

The present contractual relationships to the cities are very satisfactory from our standpoint, and I think in a majority of instances from the cities' standpoint. It does provide for a little bit different type of service from one

city to another. If a city, for instance, wants more police protection than is normally rendered in the county territory, they are able to secure that through the Sheriff's Office of the County of Los Angeles by paying the cost of whatever additional service they want. You might have a situation where City X asked for five more patrol cars within a small limited area, and on one side of the street you have the regular standard Sheriff's service, which is limited to a program outlined by the Sheriff and controlled to some extent by budgetary requirements, and on the other side of the street you would have that, plus the additional services that City X would buy. There are some similar situations that apply in other phases of the work, such as certain engineering services, inspection services in buildings, and things of that character, where a greater amount of work may go into the city that is willing to pay for it than would normally go into the unincorporated territory immediately adjoining this, if there is any unincorporated territory left. I'm not sure now!

I think that these things, of course, must be determined by the cities themselves, and I think that it creates an unfortunate differential and should be rather master-planned by a combination of the city and the county. It does seem to me, if I may extend my remarks a little bit, that any unification, or singling out of a particular service, such as the fire departments, and here I would have to agree completely with the press report that I read this morning from Chief Miller of the Los Angeles City Fire Department, had better be studied before we tell you,

or anybody else tells you, or you convince yourselves, as to whether it will save money and maintain complete efficiency in all of its services. This area is certainly blessed with a fine fire service throughout the county, and they, through their mutual aid agreements, which the Legislature made possible many years ago, have carried on one of the finest services, I think, in the United States.

I believe that one of the most important things we can do now is to continue with hearings such as you are carrying on, and require your witnesses to give very definite and specific information before we get into a worse situation than we are in now by adopting some plan that does not have the backing of authenticity proven by studies. My personal view is that this community has reached a point where it certainly should finally develop into a metropolitan area government which would include all services. I think that to tinker and patch and fuss with cities, charters - with the County charter - serves very little purpose. Certainly any one of the charters of any of the municipalities in this county, including the county charter, could be amended to some considerable benefit; but I think that they should not be amended until there has been a volume of work done, and an overwhelming consensus of opinion of people who are experts in the field of government. I couldn't tell you this morning whether this would save money or cost more money. A little over a year ago my office recommended to the Board of Supervisors - this was while I was still working for the County of Los Angeles - that a committee of

County Supervisors, representatives of the public, citizens of the community, representatives from the Universities, schools of public administration and political science, plus representatives from cities, should be requested to sit down and make a thorough study in very detailed form of what we could expect to accomplish by having a metropolitan area government. Many other people have thought of this; many other people have thought of amending charters where there would be some unification, or singling out of special services that would be carried on by one governmental agency for themselves and all others. This work is proceeding rather well, I believe, in the County, and for me to presume to give you any more information about it than I have would be wrong. I urge that you continue these hearings; I think they are healthy. I think they should be made public hearings and that every available expert should be invited to discuss the matter with you. However, I think that those available experts should be required to present you with data. Now I am not prepared to present you with data so I will disqualify myself immediately. I think this study will take a long time, but I think that out of the study may come a recommendation that can be adopted by the State Legislature and by local governments in this area to the end that we may, for the first time, hope to provide governmental services that this ever increasing population demands, for as little money as possible. That doesn't say that we will save money.

I think I am through, Mr. Chairman.

LANTERMAN: Mr. Will, may I ask a couple of questions, and I am sure the committee will likewise wish to do so. In calling this hearing, we devoted yesterday to a concentrated discussion of the metropolitan type of fire department as proposed in the Fire Fighters' report. The report was given a thorough going over yesterday for purposes of examining its validity or its errors, or its deficiencies, if it contained such. We heard testimony across the board from many sources, with many conflicting opinions regarding it. That was the purpose of publishing the report, to create an area of discussion, to get into the facts behind the actual cost accounting, the efficiency of administration, the integration, if possible, or if necessary, of any such service in a metropolitan area such as Los Angeles county. We are having metropolitan studies all over the state. The County of Sacramento has just paid a substantial sum for such a study. They are progressing, but have not reached any determination yet.

The question that this committee was particularly interested in was whether or not - in the interim period between the time when we are now aware of what the facts are, and when the public will eventually come to the conclusion that we ought to do something about it - what is happening to one of the bigger and finest fire departments in Los Angeles, the Consolidated Fire Department? Are we, by rote pattern that has no control at the present time, under ordinary procedures of incorporations, or otherwise, going to dismember that organization piecemeal, so that when we do come to the

point of some metropolitan consideration, you will then have to do part of the job all over again?

WILL: I think you are right in your assumption. I think that we are dismembering it. and I think it's a shame.

LANTERMAN: In other words, the purpose of the committee in publishing the report to point out what is happening in an area such as our's, is for the purpose of bringing to the attention of the public one of these problems that will be many fold to be solved if the present procedures are continued. As far as the committee is concerned, we are taking no position; we are merely trying to bring the facts out as relating to the services now rendered by the organizations, and would not under any circumstances presume to impose upon city government in any respect, legislation that would be detrimental to their power or jurisdiction. We are trying to approach this on a basis of permissive and discretionary legislation, if necessary, but at the same time bringing the facts before the people in all of their aspect of importance to them. Now one of the things that interested me was your comment on the contract services. After all, fire is only one element, but the point is, what validity in your opinion is there to the charge that the county charges for contract services are not actual cost but are, in fact, a subsidy? This has been leveled by some people who perhaps do not understand all of the ramifications of the contract service.

WILL: Well, I am not in a position to say other than my understanding of this that we receive in the county full payment for all the services that we render to a city.

LANTERMAN: By contract.

WILL: By contract, yes, except those services that we may have previously rendered to cities for nothing.

LANTERMAN: Which were the major obligation of county government under its authority under the law.

WILL: That's right.

LANTERMAN: Now the question arises then, there are those cities which you are contracting with that think perhaps they are being over-charged.

WILL: This is beyond me; but it's human nature, I guess.

LANTERMAN: Well, in your opinion, do you think then the fact that the county was being challenged both ways - both undercharging and overcharging - that there must be some area of reality to your figures?

WILL: There are certain overheads that are of an expense to the county itself, per se, that are not charged into these city contracts. We charge for departmental services, as I understand it, departmental services only; but the overall administration of the county is not charged into that. In other words, my office wasn't charged into it; the Board of Supervisors is not charged into it; the many tremendous services that go on for everybody in the county are not charged into it . . .

LANTERMAN: . . . but only as related to the service rendered.

WILL: Only as related to the service rendered and the overhead of the department that renders the service; in

other words, if it is the Sheriff's Department, the Fire Department, the Health Department, or the Engineering Department - those overheads are related into that. There is a small amount of overhead in each of the contracts that is included to offset the cost of additional auditing and bookkeeping, etc. So, it is only really the departments that are affected by actual additional work that are added into those costs.

LANTERMAN: Yesterday the question arose as to the figures contained in the Fire Fighters Report that we published as a committee, as to the validity of the comparative charges between city government charges for fire service, as related in their budgets, and that which has been charged by the Consolidated Fire Department of the County; and in trying to make comparisons between those costs, because those comparisons were made, that city government has on the whole half the cost related to fire service, as evidenced in their charges, as compared with the County's charges for the Consolidated Fire District's rate. Now the question I asked several times myself was, what is the budget procedure of the city in question as to whether or not they apply cost accounting to that fire department's related charges within the city structure, similar to the county's procedure, or whether as a matter of prerogative of the city corporation, many of those charges are contained in the corporate charge of the city and are not segregated to each of the departments.

WILL: Well, this is entirely possible. I am not in a position to answer that question; I'm sorry.

LANTERMAN: You have no opinion as to whether there is any related significance to the fact that a city would do this as a matter of procedure in their accounting, whereas the County in its district charges does do a cost accounting job.

WILL: Well, I would suspect that the county probably has gone further with cost accounting and relating extraneous charges and overhead charges into the actual cost of a service than any other governmental agency in the west.

LANTERMAN: But don't you think then, or do you think - let's put it that way, Mr. Will - that the county in doing this job of cost accounting and related charges to a single service has, in fact, laid the foundation for the studies for metropolitan government costs, as related to individual services, so that you can segregate and bring into focus in the people's mind what is this service costing us for this purpose? Could it be that we are paying too much for this thing? If it is all in one big lump, all they can do is put all the services into that one governmental unit and say, well, this is the cost of such government; but if they have a service and it is cost accounted and brought out and laid on the line, then they will have a means of comparison not heretofore available.

WILL: That's right. I think that the county is further ahead, as I said, than any other governmental agency in the west in this particular activity.

LANTERMAN: Well, all local government should do likewise, or should not, in your opinion.

WILL: I'm not so sure. I used to fight this cost accounting when I was running hospitals, because it cost more to do the cost accounting than it did to run a hospital - at least I thought so at that time.

LANTERMAN: Well, do you still think so?

WILL: Yes, I think that we have gone a little further than we need to in our cost accounting work.

LANTERMAN: Why did the county do this?

WILL: Well, we had a very active cost accounting division in the Auditor's Office and they were busily engaged in putting everything into the program that they could to find out exactly what it cost. For instance, you send an ambulance out to get a patient at 6th and Vermont and bring him back to the hospital. Now that's a very fine thing to know, but it isn't necessary to find out how much the towel cost that hangs on the rack in the ambulance! This is what I mean by rather excessive activity in cost accounting. I think that a reasonable cost accounting system would be satisfactory for everything that we need. We are not in the business of making a profit - we are not in the business of trying to make money. We do know that whatever it costs, it is going to be paid for by the taxpayers; but the expense total is there and an equitable cost for the services rendered between the city and the county for any type of service, it seems to me, is a more valuable and valid procedure than to have it based on too detailed cost accounting.

LANTERMAN: Then the question arises as to how do we compare, for matters of study, the advantages of a metropolitan type of government service versus the local level administrative jurisdictions we now have?

WILL: That of course goes into the very heart of the matter which seems to be how we raise our money. We have several methods of raising money. The cities have one ability that is inherent in the county and is passed on to the cities by virtue of the fact that they are all a part of the state. I think that, personally, the place to put the emphasis is on the final results of these studies. If this study that you have on the fire department was a valid study, and other metropolitan areas, such as San Francisco, San Diego, and Sacramento, Oakland, Chicago, and possibly Seattle and Portland, were to be fairly close to an actual cost of operation, one with the other, and Los Angeles County with its Consolidated Fire Department was way over that amount, we must be rendering an additional service or else we are throwing money away. On the other hand, I can't believe that the cities can render the same service that the county of Los Angeles renders for half the cost. This seems impossible to me.

LANTERMAN: Well, that's a matter of accounting procedure and how you would . . .

WILL: I think so. I think you would find that the cities have charged purely and simply the fire station cost.

LANTERMAN: The question that arises in my mind is whether or not Los Angeles County, by its original charter

amendments, which made it possible to be a municipally chartered county to provide municipal services, back in the period around 1912-14, to provide these services to satellite bedroom cities - which they were at that time - whether that wasn't the precursor to a metropolitan type of government, in your opinion.

WILL: I'm sure that it wasn't the plan of the Board of Freeholders - this outcome of development.

LANTERMAN: It was to solve a problem . . .

WILL: It was to solve a problem that existed in 1913.

LANTERMAN: How has it changed, in your opinion?

WILL: It has changed tremendously. It has changed in the demands for services; it has changed in the tremendous growth; it has changed in the desire of some people to make available to themselves by incorporating the sales tax, and so on, that they can't get any other way - that the County doesn't have. All this is wrapped up in the answer to this question. That's why I say that I don't think that anything can finally come out except on a piecemeal, patchwork basis until much much study has been given the problem. We have about 165 or 170 metropolitan communities in the United States that are undergoing this same problem in varying degrees, and in differences in detail. As I understand it, in the State of Florida there are no counties. There are cities and the state. They had to have a complete revision of their laws down there to accomplish the purposes which they wanted to accomplish in, for instance, Miami. We haven't yet found a plan that would

exactly fit Los Angeles, but the plan that we are operating under doesn't seem to fit it very well either. So, I am in favor of studies, but I must submit to you that again I don't believe we should be patching our charters until we well know what we are trying to do.

LANTERMAN: In other words, you think they should do a great deal of study before they start to patch the charter.

WILL: Yes, I do.

LANTERMAN: Well, of course the Legislature also feels that we should do a great deal of study before we pass any mandatory legislation. We are not at the present time considering any mandatory legislation; we are only considering those permissive things that discretion to local government would permit them to use if they want to and need to use it.

WILL: I agree with you completely. I think that is the prudence you should continue with until somebody comes up with an answer.

Lanterman: But in the meantime, we do have the problem of the Consolidated Fire Department which is being decimated piecemeal and the question is whether that is in the interest of the metropolitan area as a whole until we arrive at that point or not.

WILL: I wouldn't think it was in the interests of the area. It may be in the interest of the local people of a small community.

LANTERMAN: Are there any questions from members of the Committee? Mr. Geddes.

ERNEST GEDDES: Mr. Chairman, I think that one thing I have always found works out when we make these studies and make comparisons, particularly in an area as large as Los Angeles County, and all the cities and unincorporated areas that are contained in it, whether it be cost accounting or a survey of published costs already in evidence, we have to be very careful that we do not compare apples with pineapples. They sound the same but there is quite a difference. In other words, I think that a city that is going to wisely move out of the area where it is presently served on a consolidated service, certainly has to weigh the cost. Now, are they going to build their own fire stations - that's a pretty big lump sum - the equipment is a good lump sum - and then you have the costs of operation which would include the payment of the members of the force. Certainly, if I found any city in which I had a particular interest as a taxpayer, or advisor, that was just moving out of satisfactory service, where there is no complaint as to protection afforded, merely to satisfy local pride, why it happens to be one of those expensive luxuries that presently in the law you can't keep people from indulging in if they so see fit. I think that more or less pinpoints what we are trying to find out. There must be basic reasons why there is a decimation of the present system, if the present system can be shown to be working perfectly satisfactory. Then the reason is of excess costs, and I do believe that you have got to bring things to a common denominator and see what the excess cost is.

WILL: As far as costs are concerned, they can be easily reconciled, no matter what kind of figure the two different governments would come up with. They could be reconciled to determine whether or not they included all these things.

GEDDES: If you have a volunteer organization in a small city, with only three or four paid members, a Chief, and the equipment drivers that are there at all times, and when there is an alarm, then the citizens go out and leave their parties, their stores, and go out and work on the fire - naturally they are going to have a lower cost as far as you would show anything for a standby crew of comparable size. On the other hand, the amount that they are paying for amortization of the equipment and its upkeep, and the construction of fire stations, pretty well falls in a column where it can be compared definitely with like equipment, like buildings in other communities, so that we could get the basic figures on that one.

WILL: Let me preface this statement, I believe in grass roots government, but I couldn't say to you honestly that in order to secure their share, their specific share, of sales tax, gas tax, plus the real estate taxes - the advalorem taxes - that a city or a group should not incorporate. I can conceive of the fact that their own selfish interests would dictate such a policy and I'm not so sure that I could fight with them about it.

As to the fire department, I believe in this Consolidated Fire Department; I think it has worked very well in Los

Angeles County, but I am not going to admit that it is working well because it is a big organization, because I have been kidded a lot of times in budget making about enlarging a program and getting a lot of volume, and thus reducing the unit cost. I have never found that it worked out that way, at least in government, and I don't believe it does in business.

GEDDES: I would agree particularly in the matter of fire protection that you could draw some assumptions that the next big fire, right between the two communities, could wipe out any figures that you would achieve up to that time, but a long series of good fortune with no fires would entirely change the picture again.

WILL: It is something that is pretty variable.

GEDDES: That's right. On the other hand, you take library service, if directly proportioned to a literate community, then I believe that you have something that goes on day after day, and the only demand is for longer hours for the library to be open, for more books, more up-to-date scientific shelves, and things like that, which become a problem of management. You would have a very good comparison there, I think, between the costs of local operation and the cities that we do have contracting with the county library, and also the branches of the county library that exist and service unincorporated areas at this moment in very good shape. They happen to be way down the line from what we are talking about, but I think it's another point to show how complex a problem it is.

WILL: I am very much in favor of the large fire department, but I am not in favor of it because I think it costs less money; I am in favor of it because I think it is more efficient.

LANTERMAN: It could be more efficient, you think, if we did not have duplication of facilities - city and county alongside of one another. Where you do have an existing facility, it makes no common sense to duplicate, purely because another jurisdiction has been set up, and that's where efficiency might enter the picture as for comparative costs.

WILL: That's right.

LANTERMAN: Mr. Bradley.

BRADLEY: Mr. Will, do you think that there has been a saving to the taxpayers by the consolidation of the health department under the permissive law that we have on the books today?

WILL: Yes, I think that the services that have been rendered over thirty years by the County Health Department are very much less expensive than they would have been if all the cities involved had had their own health departments; and they have received a service that has been fully approved by the State Health Department.

BRADLEY: Well, do you think that there could be a comparable savings to the taxpayers then, if you had a law on the books which would permit the consolidation of fire departments in a county?

WILL: I suppose that my answer would have to be yes, I think so, but my interest in the fire department is in its efficiency rather than its cost. I would just like to give you, if I may, one illustration. The City of Los Angeles has one of the finest fire departments in the United States. We think the County of Los Angeles has as well, in its wide variety of work that even the City of Los Angeles doesn't have to enter into to any great extent. We have the City of San Fernando. I lived in San Fernando, and like San Fernando. My remarks are not directed in any derogatory fashion to San Fernando, but their equipment was old; it was not kept up to the same standards as the city on the one side of it and the county on the other. While it was all city territory, there were some county installations and facilities close to San Fernando. When a fire occurred in the mountains, they moved their equipment up; the County company would go out on a fire and a company from San Fernando would move into the county fire house. The company from the city of Los Angeles would then move into the San Fernando fire house, and so on down the line. We were always rather fearful that if anything happened in the locality of our own area, that the San Fernando Fire Department wouldn't be able to handle it as well as the County of Los Angeles or the City of Los Angeles. They just didn't have the equipment, the personnel, or the training program that these two great fire departments has. Now one of these, as Mr. Lanterman says, is being torn to pieces. Merely from the standpoint of service,

Mr. Bradley, prevention of fires, study of fires, the training of the firemen, immediacy of response to fire alarms - maybe you would save more money by a consolidated first class program than the way it is now. Maybe that would be the one way that you could save money.

BRADLEY: Mr. Will, yesterday we had Mr. Colton here from the Fire Underwriters and we learned that the Los Angeles Fire Department affords to the City of Los Angeles a Class 1 rating. . . .

WILL: That's right.

BRADLEY: . . . but we also learned that there can be areas within the city where, for instance, Los Angeles could annex a new area that wouldn't bear a Class 1 fire insurance rating. It might have to go for a period of time under a Class 2 or Class 3 until there had been a study and a re-classification made. I gathered from that, that as long as local governmental boundaries are preserved, and in a consolidation of a fire service - just like in the consolidation of a health service - you are not destroying units of government . . .

WILL: That's right.

BRADLEY: . . . and their existing boundaries - that there could conceivably be a situation in which you could have a countywide service in which the Los Angeles area would still be Class 1, although there could be other areas in the county of Class 2, or even Class 7 or 8. The classification is going to be based upon the many factors that are taken into consideration

by the Fire Underwriters, regardless of what might be done by permissive action of a group of local governmental units. It's sort of an answer to itself. The City of Los Angeles and its Class 1 fire service, and the excellent service of the County Consolidated Service, could be retained and there would be the possibility of improved service by another city, smaller than Los Angeles, which might decide to consolidate its fire department with the Consolidated County Fire Service, in which case, that city might get an improved rating over what it has at the present time. Now if that is true, and I am sure it is from all that we learned yesterday, then it would seem as though we could say with some degree of certainty that the taxpayers could gain some benefits by a permissive law on the books that would allow the same thing to be done insofar as fire service is concerned - as is presently being done so far as health services are concerned.

WILL: I don't think there is any doubt of that. I think you are absolutely right. The only point that I want to call attention to is the fact that taxpayers may be getting some hidden benefits. I don't think they may necessarily be saving in taxes.

BRADLEY: Well, I . . .

WILL: In the level of service possibly, a saving of losses, a reduction in their fire insurance rate, and things of that character would certainly benefit them, and that is the type and kind of thing that would give us a first class consolidated fire department in the county. To that extent I am prepared to say that I think it would be fine.

BRADLEY: I think, Mr. Will, that in the event of permissive legislation in this particular field, that the question of whether or not a city, which today has its own independent fire department, terminates the operation of its own fire department operation and contracts with the County consolidated service, would certainly be motivated by at least some consideration of a possible savings in cost. There would be other factors too, I am sure, such as the possibility of a broader and more enlarged fire protection by having other nearby departments available to fill in, which would make them an integral part of the area's service, so that they would not have to rely upon mutual aid. When you talk about the problems of unit cost factors, do you believe that the unit cost factor for a consolidation of fire departments is different than the unit cost factor consideration for the consolidation of health departments?

WILL: I am an expert in neither field except that I have worked with both. I worked more with the health services than I have with the fire services. I believe that the unit cost of health services rendered by the County Health Department is probably as low as you can get it commensurate with the service that they render - and I'll perhaps have to clarify that. If you have a fire service to render, on the other hand, your unit cost is going to be based upon proper and suitable insurance ratings and established practices in fire fighting in large areas - on a very high standard. If you take a community, a small community, and raise them to the standard of the Los Angeles

City Fire Department, or the Los Angeles County Fire Department, your unit cost in that particular instance is going to go way up. But the overall cost may go down, by virtue of this increase being spread over so many other units.

BRADLEY: Well, the point that I was trying to reach, Mr. Will, was this. You spoke somewhat favorably, I gathered, about the possibility of metropolitan area government as a coming unit of government for such areas as this where you have such a complex pattern of local governments. That metropolitan area type of government is something that is being developed, I think, in the United States today will probably see in the birth pattern of that type of government, which hasn't clearly emerged - we have factors of it but we don't have the first real concrete prototype. Yet it seems to me that a metropolitan area type of local government is of necessity going to be based upon a consolidation of many - or let's say numerous - smaller units of government within that metropolitan area. If you don't come out with that, you don't have a single unit of metropolitan government that is going to be of any efficiency or provide any degree of change to what you have today.

WILL: . . . New York or something of that character.

BRADLEY: That's correct. Now, that again presumes that you are going to get into unit cost factors on a larger unit of consolidated local government than you have today where that area is broken up into numerous small cities; and you mentioned a while ago - and one or two other witnesses mentioned yesterday -

that there is some fear, or some concern, in the back of your mind about how big a unit of government may become before you begin to lose the factor of savings. I think that that point is of considerable concern to this committee, because if the county unit, for example, is too big, then what is the unit to which a local level of government may develop without losing the factor of efficiency and economy in its operation?

WILL: And the relationship to the people.

BRADLEY: Right.

WILL: I don't know and I can't give you the answer. I have a fear that in government, like in business, there is a point of - what do you call it - diminishing returns. You can grow to such a point where finally your profits begin to go up in the other direction. In the field of hospitals, apparently the best paying ones are hospitals of 85 beds and less. The big hospitals are not good paying propositions. I'm talking now about private hospitals as being the case in the State of California and the County of Los Angeles, the City and County of San Francisco, which have saddled themselves with a lot of great tremendous hospitals that are in some instances so remote from the people they are supposed to serve - remote from doctors and nurses, available employees, and so on - that they are so big that they are just top-heavy and cost more money than they should. In this particular instance, the unit cost per patient day of any of the cost accounted services could be shown to be very small because of this tremendous volume of 3500 or 7000 patients;

but the total overall expenditures of the hospital might be 20 percent more than it would be if it were 35, 100, or 700 bed hospitals. This has become the thing that I am worried about. I've had enough experience in having people come to me and say, now, if we can enlarge this unit, or join these two units together, by the very fact that we have put this under one head - this will save money. It gets under the one head and then the thing just mushrooms; it ends up costing more money than the other two units did.

If I were to make an intelligent recommendation to the committee, I would have my tongue in my cheek about how big metropolitan government can be without costing more money than it is costing now. I think that what we have is a mess; I think that the people are well justified in trying to do something about it - changing charters or whatever - but it just can't be done intelligently unless we have several years of study.

BRADLEY: Well, Mr. Will, . . .

LANTERMAN: We must not keep him too long, Mr. Bradley, because he did express that he had a time schedule he had to meet.

BRADLEY: Let me ask Mr. Will this one question.

LANTERMAN: I just want to call his attention to one thing and that's the time.

BRADLEY: I think that we are into such an important phase of this study right here that Mr. Will's background could

be of great help to us, because we, as representatives of the Legislature, and as former members of local government - most of us having been city councilmen and some of us mayors - are very often confronted with the proposition that you have three small hospitals of 30 patients each that presumably you would have a more efficient operation if you consolidated those into one hospital of 90. Conversely, that would seem to bear out the idea that an 85 or 90 bed hospital is an ideal operation. Or, if you have five small cities, each with a complete local government - city council, city manager, and so on - you could consolidate those five small cities into one medium sized city and reasonably expect to reduce at least some of the cost of government - the elimination of duplicating executives, etc.

WILL: But when you go to 60 or 61, then you start another question.

BRADLEY: Yes, although we are confronted with another fact, and that is that we have always had 58 counties in the State of California, and your county unit of government has been operating with certain cost factors ever since the State was born; so that, again you wonder if it is size alone, a combination of factors maybe, increased population, or do you think it is possible that it is administration?

WILL: Well, I think of course that sometimes an administrator gets so busy administrating that he forgets his principal job. I know its a very easy thing to do. To revert to the hospital situation, after you get up to a certain point, you have to employ additional executives, as you have pointed out,

to care for other executives who are busily engaged in building up their business too. I think that this is entirely true in governmental activity. It is perhaps more true in governmental activity than it is in private business activity. I think that the consolidation of too many of these things in too irregular patterns would remove the control of government too far from the people. I'm not so sure about the size of Los Angeles County. We have 58 counties and the problems have come from the counties that have grown the most probably, isn't that true? Your problems have come from Los Angeles County, Alameda County, San Francisco, and particularly, from Sacramento and San Diego.

LANTERMAN: And Santa Clara.

WILLS: Yes, and Santa Clara. Nothing has grown more like Topsy than Los Angeles, and we are studying a lot of things down here in private enterprise that may be of considerable benefit. I'm not making a suggestion but possibly the county is too big. If the county is too big, then the logical thing to do is to break it up into smaller metropolitan area groups.

BRADLEY: We have plenty of old timers in Santa Clara County who point to 25 years ago when they could walk down First Street in San Jose and say hello to 15 or 20 people; now they can't walk down First Street and find anybody they know, yet the county geographically is no bigger than it was - it's just bigger by population.

WILL: That's right - and in demands for services!

BRADLEY: And demands for services. Now, many of our people in Santa Clara County, with a population of only 550,000 people, as compared to five and a half million here, think that we have just as many complex problems as you people here think that you have. Therefore, it is very confusing to try to determine in your mind and arrive at a conclusion as to just what this unit of government should be as to size, where efficiency leaves off and administrative inefficiencies start in.

WILL: That's right.

BRADLEY: And yet I am not personally prepared to say that Los Angeles County is too big by population, or whether you would solve anything by, for instance, dividing the county into two counties, provided of course, that you have what seems to me one primary factor - the very most efficient and the very best administrative officers at the top. When you come right down to it, the State Legislature of 120 members is the central governmental agency for the whole State of California of 14 or 15 million people. If 14 or 15 million people is too much for the Legislature to administer, why then of course there would logically be some argument that we split the State into two states. Yet you have the State of New York which is a fraction the size of California with even greater population, and you wonder what you do with a state like that. Then of course you have the whole United States with the Federal centralized government. This committee,

I think, as Mr. Lanterman has very aptly indicated, has a very real responsibility to study all of this problem to try to determine what the trend is, where we are going in this State at the local government level, and what improvements we can try to find, because that is the only thing that we are interested in in the long run; but to try and find those improvements, we have to study the weaknesses. I would like to thank you, Mr. Will, for your point of view, and leave this discussion by reminding you that we have in this health department situation apparently a very efficient operation. I keep going back to that because if, right here in Los Angeles County, the Los Angeles County Health Department can render the service it is rendering to the many cities in the county, efficiently, economically, and at an apparent saving to the taxpayer, then it goes back to the question of what permissive legislation might be in order to allow cities to contract with the county for a centralized form of service for other branches of local government. Thank you, Mr. Chairman.

LANTERMAN: Mr. Will, just one brief question. What in your opinion would happen to the efficiency and the entire structure of this County Health Department if a bill such as was provided and proposed at the last session would require a charge for all areas lying outside of the cities having their own health department and were to be passed?

WILL: I think that the people of the State of California and all of the United States, through the efforts

of the United States Public Health Service and State health departments, have for too long had the advantages of more or less free health advice, and I think that to take that away from the people now would create quite a disturbance. This is a thing that was started way back in the late 20's and has been growing and growing ever since.

LANTERMAN: I perhaps didn't make myself too clear. From the standpoint of tax inequities, if the tax base of the cities of Los Angeles, Pasadena, Long Beach, Beverly Hills and Vernon, which have their own health departments, were to be taken out by an inside and outside rate, and the balance of the County Health Department costs were to be borne by those people outside of these cities through a direct district charge for that service, in order not to have the tax base of these cities contributing to the County's general fund contributions for health, what would, in your opinion, happen to the County Health Department?

WILL: I can't answer that question. I would have to study it a little bit. If you are going to have another hearing, I'll send in an answer to it. It's a very interesting question.

LANTERMAN: We've had that proposal by these cities, and we sent the bill back from the floor of the Assembly because we thought the impact would be too critical on this area and others like it. The fact is we had a hearing on this back in November or December, where this matter was discussed at length,

and presentations were made very pointedly by some of the cities involved as to their desires in the matter. The history of this committee is that we have actually been one of the moving factors in the consolidation of county and city health departments - in San Diego, Sacramento, Oakland-Alameda, and Richmond-Contra Costa. It looked to us like a reversal of achievement rather than an improvement.

WILL: It certainly would be that. I am willing to admit that. I also think that eventually you would find that the savings that these cities think they would make by accomplishing that would be eaten up by increased services which they would have to provide that they can provide now with the help of the County Health Department.

LANTERMAN: Thank you very much, Mr. Will, for your kindness and for the time that you have given us. I hope we haven't imposed on your time.

WILL: Not at all. I am greatly honored.

LANTERMAN: Thank you very much. We appreciate it. Next we'll have Robert Anderson, Chief Administrative Officer of Riverside County. With your experience and background, Mr. Anderson, in connection with city-county coordination through contract services in Los Angeles County, and proceeding to your own area, have you new comments to make on the question and subject of contract services and equities between governments as you found them here and as you see them developing in your new job?

ROBERT ANDERSON, Chief Administrative Officer,

Riverside County: Mr. Chairman and members of the Committee, the invitation to appear here today, I thought, was a little bit more limited so I had planned to comment more directly on your fire report, and then I will be very happy to answer any questions on the entire field.

I think you would be interested in a comment which I heard yesterday in Sacramento that this committee's activities in recording a similar type of panel on this subject in Long Beach in November has been distributed to the Freeholders of Marin County where right now they are in the process of preparing a charter for that county and want to include in the charter some voluntary means of taking advantage of functional consolidation as we have it in this county.

LANTERMAN: So that the record will be clear, the transcript of the Workshop at Long Beach, which was a symposium on the subject, and which was recorded by this subcommittee, is available. We have a few copies with us if anyone is interested in the contents, so if you will see the secretary upon adjournment, she will see that you receive a copy. Thank you, Mr. Anderson, will you proceed.

ANDERSON: The Freeholders in our County of Riverside, where I have been manager since November 1, are considering including in the proposed charter similar provisions to those in the Los Angeles County charter, so that, as Riverside grows, it will be able to take advantage of functional consolidation.

The thought is there. At the moment, of course, Riverside is a county of only 271,000 people and pretty well spread out so that there is no immediate plan for a consolidated fire protection district, as we have in Los Angeles County.

I would like to concur in Mr. Will's comment that this committee is to be congratulated on continuing to hold these hearings up and down the State on this very important subject and bringing the facts to the people. I will present a few thoughts on functional consolidation as we see it in the fire services, and then I'll be glad to expand that into health and a couple of the other functions.

I feel that the Consolidated Fire Protection District, as we have it in this county, can be expanded to reduce total cost to all of the people and all of the property, both within cities, as well as in the unincorporated areas of the County. I'll tell you why. The very important part of this report, as I have read it, points out two things that are many times over-looked, and I was very much interested in Assemblyman Geddes' comment here that many times we are apt to compare apples and pineapples. In this report it is noted that many of the cities, in totaling their cost of operating the city fire department, fail to include the costs which are a direct cost to the fire department. They are many times charged to other parts of the general city budget. One of the biggest items, for example, is the city contribution to a retirement system. The people who were responsible for preparing this

report have pointed this out very clearly - I believe it is on page 23 - Civil Service Charges, Retirement, Insurance, Fire Station Construction, and quite often the capital outlay portion of a fire department operation is completely overlooked in comparing the cost of operating the city fire department as against the consolidated fire protection district. Workmen's Compensation Insurance, Hydrant purchase, Water Service, Utilities and Telephone Expense are other items that are often excluded from the fire department budget.

Prior to going with the City of Lakewood, I was the Controller for the City of Arcadia which had its own fire department. In working with other city controllers and finance officers, comparing our budgets and methods of preparation, it was found to be pretty universally true that cities do not include all of the indirect costs of the fire department in the fire department part of the budget. These costs were included in general government in some way, so that - pointing up this aspect of the report - there are added costs which must be included before you can properly compare fire department costs and the resulting tax rates. This has been illustrated, I think, very well on page 37 of your report. The other factor which is over looked, I think, even more than that which I have mentioned, is the fire insurance rate. You may have a low tax rate per \$100 assessed valuation, but you might be in a Class 8 fire area so that the fire insurance premium for your home or business, or whatever it might be, would be so high that the total cost of the property taxes and fire

insurance rate will be more than if you were in a larger consolidated fire protection district.

Another item which I would like to stress, and which I feel is an advantage of being in a large fire protection district such as Los Angeles County, is that it improves fire protection through the automatic move-up system. I don't know to what extent you went into this yesterday, but certainly it is my understanding that the different fire rating bureaus, in rating cities and counties, do not give as much credit for the voluntary mutual aid agreement between governmental jurisdictions as they do where you have an automatic - I mean a completely automatic - move-up system such as the Consolidated Fire Protection District was here. There are many examples where departments have mutual aid agreements on paper, but when it comes to putting them into effect, it means that only the larger departments can offer the mutual aid, and the smaller departments, most of the time, are not in a position to offer any aid; so it is not really mutual aid - it's one way. With the county fire system here in L.A. County, as I have observed it, both when I was with the City of Lakewood as well as with the County, as soon as there is a fire in any area, or in any city that has remained in the Consolidated Fire Protection District, there is an automatic move-up system to take care of the initial fire, and to supply additional equipment if it is needed. There is no necessity to get hold of the city administrator or the city manager to find out if he will grant permission

to lend a rig to another city, as in the case of mutual aid.

Then there is another factor which is extremely important in this county, and in any metropolitan county, and that is the avoidance of confusion as to who to call in the event of a fire. There are many areas in this county where people have a city postoffice address and therefore think they live in the city, but they are actually in the county unincorporated area. They will call the city fire department when they should have called the county. This is true because postal districts are not coterminous with city boundaries, particularly in the areas where there is an extensive unincorporated area surrounding the city. El Monte is probably our best example of a situation like that where unincorporated county completely surrounds the city of El Monte, and the County Fire Department Protection area also completely surrounds the city of El Monte. We have many people who live in the El Monte postal area, a large part of which is unincorporated area. One central place to call to report an alarm of fire would be of much benefit - of tremendous benefit - to the entire area. It would provide better protection, more prompt response, and in the case of El Monte, Covina, and a few others that I'll mention in a minute, there would be a reduction both in the property tax rate and in fire insurance rates.

I would just like to briefly comment on a couple of other parts of this report. I am sure that the committee is thoroughly familiar with it, but I assumed from the invitation

to me that you wanted a comment or two on important parts of this report. The reference to mutual aid, pages 18 and 19, I think is extremely important, and I will just briefly mention them. There is the possibility that you have one way mutual aid quite often, instead of two-way, and mutual aid cannot operate as effectively as functional consolidation for this type of a service, as I see it. You need prompt response. I am sure we are all aware of the fact that the first five minutes of a fire is much more important than the next five hours.

I would like to also call to your attention another possibility that I just briefly alluded to in comparing the El Monte area. Just east of El Monte is the City of Covina that has, because of its many annexations, very erratic boundaries. It is practically impossible to tell when you are in the city of Covina and when you are not. I noticed here in the report the tax rate on page 37 is \$1.06, as against the county rate of 57 cents. Then on page 41 - I am not sure that these have been noted together - the per capita costs of operating the Covina Fire Department is \$29.86. In rank order, it was the most expensive city fire department per capita of all the cities in this county. Also, on page 41, you will notice that the per capita cost of the Consolidated Fire Protection District is \$6.47 - about 7th best in the group of 40 cities. Since 1954, in this county, there have been 16 cities incorporated, and 15 of those cities have elected to

remain in the County Consolidated Fire Protection District. I think that speaks for itself. These city councils voluntarily recognize that it is better for them, for the county, and for the area concerned, to remain in the County Consolidated Fire Protection District. We found in Lakewood, because of the excellent fire protection (I am talking about the service now) that the County Fire Department rendered, Lakewood received a better rating and is now a Class 4 city. Think with me for a moment, if you will. There are many incorporated cities in this county that have their own city fire departments that do not have as good a rating as a Class 4 city. Now we all recognize that L.A. City has a Class 1 fire department; L.A. County, in spite of its size and scope of operations, is a Class 2 fire department. There are a few cities that are in the Class 3 group, but most of the cities would be classed from 4 to 8. Your report here points all of those out. Lakewood's excellent grade was accomplished without one single fire department being located within the city limits. Now I don't know what more convincing argument I could give in terms of the advantages of the Consolidated Fire Protection District. There are fire stations located in the area naturally, and there is a high assessed value concentration right in the center of the city - a tremendous multi-million dollar assessed valuation shopping area.

My experience was approximately three years with the City of Lakewood and the city council there has been very happy with the service and with the entire operation of the Fire Protection District.

Occasionally you will hear arguments raised against functional consolidation, whether it is fire, health, or any other matter, and I thought for the moment I would just mention the one that is put forth most often, the matter of home rule. It is incumbent upon all of us, I think, when we are considering this subject that we ask ourselves, when do we need home rule, why do we want it, and so forth. Sometimes you want home rule because you would have closer supervision. Occasionally it might mean political control, or possibly better protection. I think I have shown that Lakewood could not have gotten better protection by setting up its own fire department; it received better protection by setting up its own fire department. It received better protection by remaining in the County Fire District.

In terms of supervision, the Battalion Chiefs in the area constantly keep the city administrators informed of their operations, and any time you want to know something about it, they will furnish that information immediately.

In terms of political control, I think that is a real mistake - in the case of fire protection. We are all interested in only two things; one is to put the fire out and the other is fire prevention. We are interested in whatever agency can prevent the fires, and if they cannot prevent them, then to put them out. Immediate fire protection.

When you get thinking in terms of the health department you are thinking in terms of preventing disease first, and then if the disease comes, or an epidemic, to put it out; so that,

in terms of fire and health, it always has been my thought that service at reasonable cost is the primary consideration, and that the need for separate fire departments for political control is usually unnecessary. One advantage that we think we have in this county, in terms of the contract system or functional consolidation, is that it has been on a voluntary basis and that the cities have the complete power to make a decision as to whether it will remain with the system or set up one of their own. I think that it is imperative on all cities and on the county and on the State officials to take into account all of these matters as they relate them to the individual function or to the entire contract operation. Now that, Mr. Chairman, briefly, is what I had prepared for the report on the fire department, but I thought maybe in line with your question I would add just a few other thoughts that might indicate to you the scope of the contract system in this county.

The County of Los Angeles has 747 different kinds of contracts with the incorporated cities in this county. Now since Pico-Rivera incorporated a few weeks ago, this has probably been added to by about 23, but 747 was accurate when I left for Riverside the first of November.

LANTERMAN: Mr. Anderson, for your information, Mr. Arthur Will, Jr. will be with us this afternoon to go into some of these details, so it might be better if you confined yourself to the broad subject as it will apply to

other counties now that you are in this position, and based on your experience here, and the benefit that may or may not come from these services. Is it a benefit, is it a cost-wise related equitable service, and is it the kind of thing that counties and cities can use elsewhere as well, based on your experience here?

ANDERSON: Thank you. I was very pleased to find that when I went to Riverside in November that all of the 13 incorporated cities in that county had contracted with the County Health Department, so that we do have functional consolidation for health in Riverside County; and as I understand it, Sacramento County is completely under the one County Health Department. In Alameda County, all except one city are contracting, and the exception (Alameda) is probably because they are receiving a subsidy from the University of California. Other than that, Alameda County might be completely consolidated in their health operation.

LANTERMAN: They also have the cooperation of the school department so they have a three way operation - the Department of Education, the University of California, and the Health Department. It's peculiar to that area.

ANDERSON: This entire operation of functional consolidation was new to me in 1954 because my experience had been with the city of Arcadia. I was not the city manager of Arcadia at that time, but it was then a city of about 35,000 population and entirely different from Lakewood.

I have found in my experience during the last three and a half or four years that the city-county contract system has been of advantage to both the cities and the counties. I have made this statement many times, that the County charges the cities the total cost of this operation. Even though all of the cost, including the various levels of overhead and a share of the general county overhead, is included in the cost, the net result to the cities which contract with the county will be a savings in cost, which of course reflects in a savings in the tax rate eventually. Maybe if we open up the questioning, Mr. Chairman, we could bring out some other points.

LANTERMAN: All right. Instead of my leading off, I'll let the committee do the leading this time. We'll start with my left. Mr. Geddes?

GEDDES: No.

LANTERMAN: (Goes through committee until he reaches Mr. Bradley.)

BRADLEY: Well, so the audience won't get the impression that we aren't interested in Mr. Anderson, I think it should be pointed out that we have had Mr. Anderson before us on a previous occasion and we are very happy to have him back. We know very well his keen interest in this subject. Mr. Anderson, I personally don't have any questions, but I join with Mr. Lanterman in expressing the committee's appreciation for your appearance here today.

GEDDES: That goes for me too.

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GEDDES: That goes for me too.

LANTERMAN: Is there any validity, in your opinion - and I asked this question of Mr. Will - as to the claim that there is no equity on the basis of the costs charged for these services; in other words, that the cost accounting attempt at determining the cost of this service is a subsidy to the contracting cities by the County?

ANDERSON: There is no subsidy to the contracting cities. In addition to being a public administrator, I am also a certified public accountant, and I have a little more than a natural interest in cost accounting - more so than Mr. Will - and by the nature of my duties, I was more familiar with the details of the costs that went into the contracts between the County and the cities. There were included in those costs all of the direct costs of salaries, retirement, insurance, Workmen's Compensation, materials and supplies, operation of vehicles, etc., and then the overhead costs - the element of the departmental overhead and also a portion of the general county overhead. Mr. Will mentioned that a little differently, but it has been some time since he has worked directly with that. I thought it would be well for the committee to have this additional statement that there is included in these contract costs a portion of the general county overhead which rises slightly when a departmental activity increases.

LANTERMAN: That's an administrative surcharge, in other words, resulting from this general broader responsibility of the department in the administration of the county.

ANDERSON: Yes, let us use this as an example: if a city contracts with the county sheriff's office for police protection, there will be civil service recruiting processes involved in hiring those additional sheriff's deputies to provide that service to the city, so we feel that a portion of the civil service commission's cost should be included in all of these costs in its direct proportion to the number of employees involved.

LANTERMAN: Pro-rated, according to the service rendered.

ANDERSON: Right.

LANTERMAN: Now, conversely, is there any element of validity to the question that has been raised that perhaps the county is charging too much for these services to some of the cities?

ANDERSON : I know of none, and I was interested in it quite a bit when I was with the City of Lakewood before I went to work for the county. We have annually reviewed all of these costs, not only in the administrative office of the county, but also in the auditor's office with its staff of accountants. This is not only reviewed, but the cities are encouraged to sit down with Mr. William Barber in the County Auditor's office and with John Leach to ask any questions that they would have on this subject. Many times I find myself talking as though I were still with L.A. County, but that's the natural thing, I think.

LANTERMAN: Mr. Todd is here from Lakewood, and if he disagrees with anything you said, or if something has arisen since then, we can always let him come up and say so.

Now, in your opinion, Mr. Anderson, do you think that the provision that was enacted at the last session of the Legislature which would require a newly incorporated city to either withdraw from the Consolidated District within the year or put it to a vote of the people after that time is a too restrictive provision?

ANDERSON: No, I think not. We find that whether it is a city or a county government, the legislative body and administrative employees must be able to plan accordingly for some time in the future. I can see that in this particular bill it would allow a larger fire protection district to be able to plan accordingly, so that they would have notice far enough in advance on the matter, and that it be decided by the people generally as to whether to pull out of the district after they have been in it for a while. It seems to be, from my own practical experience, that it doesn't make much difference one way or the other.

LANTERMAN: Well, the only question, I think, that was raised was that it was an infringement of the Legislature upon the discretion of the local legislative body elected by the people and that it tied their hands with a time limit. The whole purpose of it was to stabilize the consolidated fire service so that it would not be decimated piecemeal, give the

district some stability, and allow the people to take a look at any change. However, the question was raised as to it being an unduly restrictive proposal.

ANDERSON: As I remember the bill, the cities that incorporate now have a year, don't they, to decide?

LANTERMAN: Yes.

ANDERSON: I found from my experience that a year would give ample time to understand what your situation was, and the county can plan accordingly and provide more and better fire protection services if they know that that city is going to be in the district for some time to come.

LANTERMAN: Well, it was put in as a stabilizing factor. Whether or not it proves to be that, or to the contrary, remains to be seen. Actually, it is a question that was raised by one of the city representatives yesterday, Mr. Keller of the League of Cities, for our consideration at the next general session.

ANDERSON: Somebody on the committee made a comment earlier when Mr. Will was up here, I think it was, about this stabilizing influence and that while the study of metropolitan government is going on, it would be a mistake to decimate, or reduce, something which is now really metropolitan in nature - your Consolidated Fire Protection District.

LANTERMAN: Actually, it might be more political than financial from the standpoint of control, shall we say, that certain things would be done, or found desirable to be

done, by local government; but the question is, are we going to be retrogressive while we are approaching into a period of metropolitan study and relationship? That was the very question we raised - at least I raised - in the Sacramento metropolitan study - should they stabilize their relationship pending a completion of their study and their determination locally, without making that study obsolete by their actions?

ANDERSON: I agree with you entirely.

LANTERMAN: Are there any questions? Thank you very much, Mr. Anderson. I do appreciate your taking the time to come, and the Committee is indebted to you for your interest in this matter. I think if any of the other counties get anything out of what we are trying to do in this subcommittee, and the committee as a whole, that it will reflect credit upon you and your interest.

ANDERSON: Thank you very much. I will be glad to be of whatever help I can.

LANTERMAN: Thank you, Mr. Anderson. Is Mayor Reynolds here from Norwalk? Is Mayor Sachau here or did he just leave? From the City of Hermosa Beach? They were here to make statements, in any event, to the effect that any publicity related to any consolidation of beach cities was purely conjecture and not something taken and acted upon by the city councils of those cities. It is purely an area of discussion on an informal basis and we have a letter to that effect from the City of Hermosa Beach? They were here to make statements,

in any event, to the effect that any publicity related to any consolidation of beach cities was purely conjecture and not something taken and acted upon by the city councils of those cities. It is purely an area of discussion on an informal basis and we have a letter to that effect from the City of Hermosa Beach. Mr. Todd, did you have any comments you would like to make that would perhaps bring the situation at Lakewood up to date, as a result of the comments that have been made? Mr. Todd, by the way, is the City Attorney for the City of Lakewood, the guinea pig of county contract services across the board type of operation. He was also in on the firing line when they were trying to have the privilege of becoming a city.

JOHN TODD: City Attorney, City of Lakewood: Yes, Mr. Chairman, and members of the Committee, I was not prepared to make a presentation to you today. However, I have noted with interest your study and the comments of the people before your committee on the Lakewood operation and some of the background statements pertaining to Lakewood, and for that reason you might be interested in a few of the reasons why Lakewood incorporated, the theory of the operation, and how it operates at this time.

LANTERMAN: We will be very happy to have any statement you care to make.

TODD: I do have a cold so I hope you will bear with me in that regard.

LANTERMAN: You may limit yourself just as you desire.

TODD: I am the City Attorney for the City of Lakewood and am appearing for the city in that capacity. If the pleasure of this committee should be such at a later time, I would be glad to submit to you in writing a summary of my remarks.

LANTERMAN: That we would like to have.

TODD: All right. (See Appendix) I was also the attorney for the committee that led to the incorporation of the City of Lakewood, and I do think in an understanding of Lakewood it would be wise, perhaps, to take into consideration some of the background with respect to the formation of the city and why the city of Lakewood ended up with the contract system of operation.

The City of Lakewood grew up over night. The City of Lakewood, prior to its incorporation, developed within a period of several years between 1950 and 1954. When the city was created - and I'm using the city now in a figurative sense, prior to the time when it was incorporated - it had completely developed streets, sidewalks, street lights, sewers, and all of the city facilities. Also, the area at that time was being served, of course, by the county of Los Angeles, and the citizens of Lakewood were satisfied with the county services.

LANTERMAN: Mr. Todd, may I interject right here for the purposes of identifying this problem to the committee? The City of Lakewood - the area of the city of Lakewood - was developed under the supervision of the County Regional Planning

Department, and the development of those standards of service - of facilities, streets, and so on - were the requirements of the County Building Department, the County Road Department, and the various engineering departments of the County.

TODD: That is correct.

LANTERMAN: All right.

TODD: Within this background, a political development occurred within Lakewood. There was the choice of either remaining in the county of Los Angeles as unincorporated territory or being annexed to the city of Long Beach. During the years 1953-54, the city of Lakewood was completely divided into annexation increments to the city of Long Beach. As attorney for the various people who were resisting these annexations, I am fully familiar with the problems with which we were faced. Thereafter followed a series of law suits, as well as elections, and upon the completion of this series of annexations, a good portion of Lakewood still remained unincorporated. The members of the committee fighting annexation, who were local citizens, and people interested locally, then decided that in order to preserve the boundaries of the city of Lakewood it would be necessary to incorporate. This committee then developed, back in 1953-54, a plan of operation which naturally grew out of this background. This plan of operation was to contract with the County of Los Angeles for the performance of most municipal services. Mr. Will mentioned that we contracted because we didn't have the facilities to provide the services. Well, of

course that was true, but that was not the reason for contracting. The idea behind contracting was studied very extensively prior to the incorporation; the pros and cons of supplying our own services were studied. We used the firm of Boyle Engineering in Santa Ana to advise us as to the financial aspects of this type of program. We felt upon completion of our study, and upon completion of consultations with various county department heads, that we could more efficiently supply municipal services by contracting, thereby eliminating the costly duplication of services. As I say, this particular factor arose out of a natural situation in which we had in the City of Lakewood a completely developed community with street lights, sewers, and the other facilities, already there. In addition, the people were satisfied with the county type of services, and for that reason, the plan fitted logically into this type of situation. But I do think it is important to have this background information because the people of Lakewood in voting for incorporation - and they did vote for it by a very large vote - voted for it on the basis that we would be contracting for the services. So, the people themselves actually chose this form of operation, and in carrying out the contract operation in the City of Lakewood, we have always felt that we are carrying out the type of operation the people want. In respect to the operation, I believe that several comments are in order. We often hear the statement, or the remark is made, that Lakewood doesn't pay its cost, and

there is a general attack, you might say, on the contract system, or upon Lakewood on this basis. We also hear the statement that the contract system means the abolition of local home rule. I would like to comment somewhat on both of these remarks. As far as the cost aspects are concerned, I believe that Mr. Will and Mr. Anderson have very well answered that, but regardless of that, I think that we have to cut through this thing and look at the situation. The matter of whether the city of Lakewood pays its cost, or does not pay its cost, or whether the city of Lakewood is paying too much in cost, is actually not pertinent to the question of what type of operation to use. We all know that the county is not in the business of making profits; we also know that the county cannot under the constitution give away services. Therefore, the result is simply this. The city of Lakewood must pay for these services, and the county of Los Angeles cannot charge more than they cost. Now, we can spend a lot of time wrangling and discussing how the costs are determined, and various arguments can be raised in respect to this. However, this is a technical matter that can be straightened out. We feel that we do not pay less than the cost of the services. If we are not paying for our services, we want to pay for them; we feel that is essential to the system. In that respect, when the contracts were prepared, I worked quite closely with Mr. John Maharg in the County Counsel's Office, and I can assure you that very minute details were gone into and every possible angle was explored to make sure

that the county of Los Angeles was receiving just and adequate compensation from the city for every bit of this service.

The other aspect is the one that pertains to local home rule. The use of the contract plan does not mean an abolition of local home rule. The city council, in electing to use and operate under the contract system, set the level, the type, of services. Each contract has a clause whereby they can be terminated, in practically all cases except perhaps one or two, by election prior to the end of any fiscal year. In addition, under the contract, the city may elect a level or type of service. Under the general services agreement, the city may by resolution request the county to perform certain types of services. For these services, they pay the cost, plus a certain percentage for indirect costs of overhead. The Council, as a result, can therefore specify to the county of Los Angeles the level and type of service. This is not an abrogation of local home rule. All we did was simply substitute city departments, personnel, and payrolls, for county departments, personnel and payrolls, to perform these municipal functions as contractual agents of the city, thereby eliminating a costly duplication.

There are other aspects of the Lakewood Plan where we could say local home rule has been abrogated, and this particular phase or function of the program does have some direct bearing on the subject matter of this committee. I am referring to district services that the city receives, in addition to the contract services. The city receives, of course, through

district services, the services of the county public library system. We receive the services of the Consolidated Fire Protection District by election. By having these services under district control, of course the city council has lost direct control or direct local home rule. However, in respect to the library and fire protection districts and I think this has been covered very well by Mr. Anderson, these are matters of service primarily and do not require local or political control. We do have the right, however, to withdraw from the free library district. We have the right to withdraw from the fire protection district, although it is true, under the 1957 amendment, the withdrawal is by election. In respect to that, I do want to make the point that I personally believe the provisions of this law whereby a city may not withdraw from a fire protection district after a certain length of time without going to an election, is a necessary one in this particular instance, because without this provision, the fire protection districts will be reluctant to construct buildings and to make the other permanent capital outlays. However, the people are still protected since they may withdraw by election.

I think that you have, perhaps, in the contractual operation in the city of Lakewood something that is not consolidation and something that is not the traditional type of city. You have the advantages of the retention of home rule in respect to most of the operations. At the same time, in other respects, you do have some consolidation. In Lakewood we are not

advocating to anyone that they adopt any particular form of government. We feel that we should have the right to choose our own form of government, and our own method of operation. We believe that the contract plan is very successful; it is saving us money, and it works in the case of Lakewood. Whether or not it would work in the case of another community, of course, depends upon the circumstances of that community.

I would like to mention to this committee that you might also look into the operation which we did study before we incorporated in Lakewood and that is the Nassau County operation in New York. There you have a case of consolidation and contracting which I believe is very successful. As I recall, under that particular operation, they had a countywide police district where cities within the territory could contract with the county for additional local police services; in other words, a basic local or countywide police service which would be somewhat comparable to the situation here in Los Angeles County where the Sheriff actually by law is charged with the duty of providing countywide law enforcement. The Sheriff has not moved into cities here in Los Angeles County where they have their own police department, although he can and will on occasion where it is necessary. Under this plan, there is the countywide police district and cities may also contract with the counties for additional services locally if they want to. I'm not advocating this for Los Angeles County; I am merely mentioning it to you. They also have many other unique features in this regard.

I do want to compliment the committee on the very excellent work you are doing, and I am sorry that I am not able to make a better presentation due to my physical condition, and also due to the fact that I was not really prepared for a formal presentation.

LANTERMAN: May I ask a question? This goes back into the bitter period. Why did the people of Lakewood fight annexation to Long Beach?

TODD: Yes, that's a very good question, Mr. Lanterman. They fought annexation to Long Beach for one essential reason, and it goes back again - I shouldn't say one essential reason but one primary reason - and it goes back again to this home rule, which we believe in very strongly, I assure you. We believe that we should have our own government; we should have control of our own local affairs. We did not believe in being annexed to an older city where we would have no control and no say over the management of our area. We knew we had a nice clean development with low maintenance cost, and we would not be troubled with the problems of older cities. And of course we were greatly concerned with the subsidence problem that we knew the City of Long Beach was facing; that is, the taxpayers of Long Beach were facing.

LANTERMAN: You said you were interested in home rule, yet under the county operation you had only one voice in the county's operation as to home rule. Were you willing to stay put, as you were, if the city of Long Beach annexation proceedings had not been instigated?

TODD: Well, let me answer the question in this way, Mr. Lanterman. I would like to answer your question, not directly, but with this comment. It is my own personal opinion and I'm very firmly convinced I'm right, that the city of Lakewood would never have been incorporated - at least it wouldn't have been until the new sales tax legislation was enacted, which might have given another reason for it - but it never would have been incorporated if it had not been for the pressure of Long Beach to annex the city. That was the sole basis for incorporation; that was one of the main reasons why the people of Lakewood voted for incorporation. They did not want to be a part of Long Beach and they didn't want to be forced into it.

LANTERMAN: Well, I said you had home rule only to the extent of one supervisorial representative.

TODD: Well, I think this. Eventually, with the growth of the county and the problems of the county, the fact that the first supervisorial district is such a large one would lead me to believe that local home rule by incorporation would have become a necessity even if we hadn't had this earlier factor which brought about incorporation. I think that the choice was a very wise one from that standpoint.

LANTERMAN: It was only a question of time, then, in your opinion as to whether you would have been precipitated or gradually eased into it.

TODD: I believe that is correct.

LANTERMAN: You have the author of the sales tax bill for county government here with you. Should that sales tax,

in your opinion, have had a provision in it that sales tax should have been earmarked for unincorporated territories by regional areas, rather than to go into the county general fund, as the bill provides?

TODD: Well, I really don't have any opinion on that. It might have had a different effect on what has happened subsequently.

LANTERMAN: In other words, the point I am getting at is, it went into effect with the Board assuming the policy that this was part of the county general fund, whereas, with the incorporated structure of city government, you have the specific right of receiving all of your sales tax, allocated to you directly by the collecting agency, the Board of Equalization. Now, your county was the only large agency, so under the bill the money was allocated to the county and is going into the general fund. If there had been such a provision, and you were unincorporated, would you then have had any inducement to incorporate?

TODD: Of course, that would have made a great difference. I do think we have to recognize this for what it is worth, or at least we often hear, that one of the basic, or primary, reasons for cities to incorporate has been the success of the Lakewood Plan. We would like to believe that's true; we know the plan is very successful. Yet at the same time, we all have to recognize that another very strong factor in here is the sales tax question and the control of the sales tax fund which communities can get by incorporating.

LANTERMAN: Any questions by members of the committee?

BRADLEY: Mr. Todd, what is the tax rate for the city of Lakewood today?

TODD: I believe it is 69 cents, as I recall.

BRADLEY: Is that up or down from what it was when you first incorporated?

TODD: That is

LANTERMAN: That includes your district charges, doesn't it?

TODD: Yes, the tax rate has gone up, and we might say it is not a true tax rate because we have other traditional municipal functions which are performed by district. For the Consolidated Fire Protection District the tax is not included, so that should also be taken into consideration.

BRADLEY: Sixty-nine cents is your total per \$100 of assessed valuation?

TODD: That's our municipal tax rate, yes.

BRADLEY: From a practical point of view, let's say, the city of Lakewood council adopts an ordinance which might require police enforcement. How do you get an enforcement of that local ordinance by the Sheriff's Office?

TODD: That works out very fine, actually. I'm going to answer your question, but first I'm going to amplify a few of these things and give you a few more of my thoughts in respect to them. I think a good deal of the success of this contractual type of operation in Los Angeles County is attributable

to the fact that we have a very efficient organization countywise, and perhaps one of the finest most efficient organizations is that of the Los Angeles County Sheriff's Department. It is a very excellent organization, well equipped and well trained. Now in the case of Lakewood, we have a station located near the city and a new one that will be built in the near future actually within the city. Originally when we incorporated, we adopted most of the county police or law enforcement ordinances in order to have a basis for operation - very basic ordinances that any city would have. These ordinances, of course, were customarily enforced by the Sheriff's Department. As the necessity arose, and in the exercise of local home rule when the city council desired additional local regulation, ordinances were adopted. Very frequently, and I think in most cases in respect to penal or law enforcement ordinances, the commander of the local Sheriff's station was consulted as to the type of ordinance, its effect and its need; thereafter, the ordinance would be drafted by my office and submitted to and enacted by the city council. Then certified copies of the ordinance would be forwarded to the Sheriff's Department, as well as the local courts, and they would be immediately enforced. To my knowledge there has never been a case - of course once in a while you will have a complaint of some sort from a citizen that something is not being done, so we call and check with the Sheriff's Office to be sure it is done - but to my knowledge, there has never been a case where the Sheriff's Department has refused or failed to enforce our law.

BRADLEY: Are there any municipal services which the city of Lakewood performs and which it does not contract for?

TODD: Yes, the park and recreation services, the development and maintenance of our parkway panels, and our roadside tree program. This is all performed locally. In order to understand this, as with anything else, we must go back to the historical basis. When the city of Lakewood incorporated, it had a self-governing park, recreation and parkway district. This district had practically the same boundaries as the city except for a very small overlapping in unincorporated territory, so that the district was not automatically dissolved by the incorporation of the city. Yet, it had a board of directors of five members who were elected by the people, who imposed a tax rate, and who performed, in effect, to this district, a municipal function which was park, recreation and parkways. As a result, the city of Lakewood naturally contracted with the district for the performance of these functions. Lakewood developed a very high standard and expensive roadside tree development and maintenance program, a very expensive and beautifying parkway development and maintenance program, and also a new and high-level concentrated park development program. The city of Lakewood, due to its incorporation and access to funds that the district did not have, was able to greatly speed up these programs; however, the city contracted with the district for these services until last year when the district was dissolved. The city then took over all the personnel of the district, as well as the board of directors, as an established park commission.

BRADLEY: Does the city of Lakewood contract for zoning and zoning services?

TODD: Yes, with the Regional Planning Commission under the general service agreement. Now, I want to point out here, and make sure that there is no misunderstanding, that the city of Lakewood, in the exercise of local home rule, recognizes that one of the purposes of having your own local government is to set your own zoning laws. We therefore have a planning commission of local citizens, and all planning and zoning matters go to the local planning commission and to our city council for final decision; the services of the Regional Planning Commission is technical and advisory in nature.

BRADLEY: Mr. Todd, yesterday we had one or two witnesses express the opinion that they thought possibly some consideration should be given to the small number of supervisors in relation to the representation that they give in a county this large population-wise. Do you think that there would be any possible connection between the number of incorporations of new cities in Los Angeles and the fact that there are only five supervisors for a county as large as Los Angeles?

TODD: Mr. Bradley, I'm not sure I understand your question, and if I do, I'm not sure I can answer it; that is, that I'm qualified to answer it.

BRADLEY: Let me lay a little foundation here. Do you think that there is a feeling on the part of people in the unincorporated areas of this county that there should be more supervisors to represent the county?

TODD: That I don't know, but the other aspect of it is this - perhaps areas are incorporating because one supervisor over a large area is not sufficient to take care of a vastly growing metropolitan area. For what it is worth, I would like to toss this out. I am not sure what the cause and effect is here. I don't know whether Lakewood has developed because of this or whether Lakewood has been a participating cause; but I do think that this great metropolitan growth in Los Angeles County must produce some answer, and I realize your committee is working very well, and very eagerly, toward that. Maybe more members of the board of supervisors would help - more supervisorial districts - some consolidations or maybe more contract services might be the answer.

LANTERMAN: Consolidation of what, Mr. Todd?

TODD: Well, I'm not going to expand that any further other than a general statement, I believe, Mr. Lanterman, for this reason. I do not feel, in respect to my position and the position of the City of Lakewood, that we should particularly advocate any form of consolidation. We realize that we are present at these hearings, and we are involved in respect to these matters, because of the type of operation we have and because of the trend, we might say, in respect to these operations; but I am not in a position where I feel qualified to particularly recommend consolidation of any kind.

LANTERMAN: Thank you very much for your presentation. We are very appreciative of your interest and I think it has been very helpful to the committee.

GEDDES: Mr. Chairman, I want to ask just one question before you leave, sir. Do you contract for your building inspection and plan check service with the county?

TODD: Yes, those are contracted.

GEDDES: Wouldn't that be a pretty good area where an estimate could be made by anyone who is interested in what it would cost to set up the necessary staff to perform that function? Even though it is pretty well supported by the fees and building permit charges, still it would be very easy to set up an estimate of what it might cost.

TODD: I think you have a very excellent point because many cities use this service - not only those that contract for most services - but it's a customary service. The health service also is another very good area for study.

GEDDES: I think we all, with the exception of a few cities, are contracting for the health services. It may be one that is pretty well lost because it has been accepted for so long, and it would be hard to isolate to make a comparison. I know in Claremont there has been a great deal of building around the perimeter, as well as within the city limits itself, but we contract with the county for that and I have had absolutely no complaint from any builder as to any delay in his plan checks or inspections, or anything else; so why a city should deliberately discontinue services already available, would be a good question.

TODD: Well, actually, in that case I would probably have to say - and perhaps make Mr. Lanterman happier too - that there would be an excellent case for consolidation. The type of service is completely technical. You are interested in only

one thing and that is the fact that your building code is administered efficiently. Political control should not enter into that type of operation in any respect, and I think it could be performed very efficiently on a consolidated basis.

LANTERMAN: Thank you very much. The Committee hearing will recess until 2 o'clock.

Afternoon Session

LANTERMAN: The Subcommittee's hearing on Functional Consolidation will now resume. For those of you who were not here this morning, the membership of the committee, beginning at my left, is the Hon. Ernest Geddes, Assemblyman from Claremont, the 49th District; then we have the Hon. Seth Johnson, Assemblyman from the 56th District, Los Angeles; myself, Frank Lanterman, Assemblyman from the 48th District in the foothill area; then we have Cristine Harrison, our secretary, on my right; and our Executive Secretary, Milton Farrell, on my left; the Chairman of the full committee, the Hon. Clark Bradley, Assemblyman from the County of Santa Clara, and the city of San Jose, 28th District.

All right, then let's proceed. Our first call for a presentation will be Mr. Charles Peckenpaugh, City Councilman from Southgate. Are you here, Mr. Peckenpaugh. I am sorry our schedule was a little delayed this morning and that you were not called before lunch. I regret any inconvenience that might have caused.

CHARLES H. PECKENPAUGH, Councilman, City of

Southgate: That's perfectly all right, Mr. Chairman. My name is Charles Peckenpaugh, and I am a councilman from Southgate, and the President of the League of California Cities, Southern Division.

I won't take up too much of your time because I know there are other people here who have a lot of papers to present and questions to ask. If I may, Mr. Chairman, I would like to refer to yesterday for just about one moment and talk a little about the fire at the Firestone Plant, December the 26th.

For your information and the record, the Southgate Department was alerted by the direct wire from the Firestone Plant and we were at the fire in less than two minutes. We had the fire completely controlled - well, not controlled - but we had it completely subsided before the county arrived, and we had our other two stations - we have three stations - on the scene at the time the county did arrive. The third station was, I would judge, about six miles from the Firestone Plant, and they rolled in at approximately the same time as the county department. We had two

LANTERMAN: Is that a matter of distance, Mr. Peckenpaugh, or communications?

PECKENPAUGH: It's both - communications and distance also. We had two 1000 gallon pumpers pumping through eight 2½ inch hose lines. I just wanted to get that into the record so that we can say Southgate is doing a comparable job. I would say

this though, that our department did call the county on the mutual aid basis, as I am told by our chief.

Also, I believe there was some discussion as to the fire district rate. I understand that the County has a 62 cent rate for fire service. Southgate has a 65 cent total tax rate, which includes our fire service, police service, and all of the services that are customary in a city.

The question that I would like to perhaps have your committee answer, and keep in mind, is what percent of the county fire budget is taken from the county general fund out of the fire district assessment?

LANTERMAN: What part of the Consolidated Fire District fund?

PECKENPAUGH: What percent of the County Fire Department budget is taken from the county general fund out of the fire district assessment. In other words, does the fire district assessment pay for all of the salaries in the County Fire Department?

LANTERMAN: According to all the information we have, and that can be verified this afternoon, the Consolidated County Fire District tax of 62 plus, making it nearly 63 cents, has every item attributable to any possible alluded charge whatever; it is proportionate, pro-rated, or actual. No money of any kind is taken from the general fund. It is all a part of a district charge.

PECKENPAUGH: I see. I don't know if you plan to do this or not, Mr. Chairman, but I've wondered whether it

would be possible for your committee to have the President of the League of California Cities, Fire Chiefs' Division, either appoint a committee, or a group of men, to be interviewed by this committee, or to submit a report to you.

LANTERMAN: You were not here yesterday and Mr. Lew Keller, representing the League, asked the committee for the privilege of submitting a report comparable to the Fire Fighters' Report as a matter of balance of presentation. That, we gratefully acknowledged, and are awaiting receipt of that material.

PECKENPAUGH: Thank you, Mr. Chairman, that will answer my question on that. Now, if I may, as the President of the League of California Cities, express my opinion to the overall metropolitan study, it has been expressed by our board of directors that with the mixed feelings that there are from contract cities, and from the old line cities that do not contract for services, that there is a feeling we should go into a study to find out whether or not this type of government we have is the proper one, or whether someone can come up with an idea that there is one that is cheaper and more easy to operate. One of the basic things that all of the directors agree on is that they definitely do not want to lose sight of home rule. After listening to the discussions this morning, there were contract cities which said they had home rule, and I think they do too. I think that's their privilege; but I believe one of the biggest things that they wanted me to remember and keep

in mind was that the home rule question, whether or not your overall County Fire Department would be maintained with home rule control or not, is something I believe this committee will determine. Mr. Chairman, I believe that is about all I have to say.

LANTERMAN: Thank you very much, Mr. Peckenpaugh. Are there any questions by members of the committee?

JOHNSON: I would like to ask if the League plans to make such a study.

PECKENPAUGH: The League is working perhaps . . .

JOHNSON: I mean outside of the fire service - the overall picture.

PECKENPAUGH: Oh, yes, we are working with the Supervisors. Mr. Leach will go into that this afternoon, I am sure. We have just recently appointed a League committee to select another committee to make recommendations for initiating the Los Angeles Metropolitan Area Government Study; and I believe that if this Assembly committee is not familiar with this study, that Mr. Leach will go into this afternoon, I am sure that it is one of the best prepared and presented suggestions for this type of study that I have ever read. I believe that if it would be followed in this manner, and all the questions would be answered, there would be no partiality shown in any way, if it is adhered to; and I believe it would cover more than just the fire department. This is the type of study that the League is going into with the City of Los Angeles and with the County for this metropolitan area.

LANTERMAN: Mr. Bradley, any questions?

BRADLEY: I have just one brief question. Do you distinguish in your own mind, Mr. Peckenpaugh, the matter of the retention of home rule and the contractual relationship that a city may be engaged in with the county in regard to the specific performance of services in a department or several departments?

PECKENPAUGH: Personally, I believe that if the county is going to operate its services as it has in the past, and if a city or a group wishes to contract with the county, and it's done on a fair basis, I believe that's home rule; but if the county, or a body, decides to have metropolitan government, a metropolitan fire protection service, or any other type of service, and says, this is what you will have in your area, I don't believe that's home rule.

BRADLEY: Well, let me ask you this. Does Southgate contract with the County of Los Angeles for its health services?

PECKENPAUGH: Yes, sir, and we are very well satisfied too.

BRADLEY: And don't you think, by virtue of the fact that the city has contracted for health services with the County, that you are still retaining home rule?

PECKENPAUGH: Absolutely. Yes, sir.

BRADLEY: Well, then, would you go one step further and say that if the city of Southgate should contract with the

County for fire services that you would still retain home rule in regard to the . . . ?

PECKENPAUGH: I believe that we can retain home rule, providing that our citizens would like it. I want to represent the people, and I think this is fine - what you are doing here on the committee. You are going out to the people and determining their feelings.

LANTERMAN: You understand, we are not trying to impose anything on any city.

PECKENPAUGH: Yes, I am sure of that.

BRADLEY: You also understand, Mr. Peckenpaugh, at least as one member of the committee would picture this situation, if you had an established city like Southgate that decided to go as far as Lakewood, for example, to contract for all of its services, or practically all of them, that you would still have your existing municipal boundaries, and you would still have your existing city council and city administrator, and that the representation of the city council, insofar as its relationship to the people of Southgate is concerned, would still be that of elected representatives. In other words, you don't extinguish the municipal unit, nor in that regard, do you extinguish the right of home rule.

PECKENPAUGH: I understand that thoroughly, Mr. Bradley. I believe my feeling is that if the people know the facts, there is certainly no misunderstanding; and I believe that this committee is going to get the cost. Today apparently

everything has been simply opinion as to whether there would be a reduction in taxes. Now if this committee can find that you can have an overall fire service cheaper than an individual city can, then I think the people should know about the facts on that instead of just assuming that an overall county government, an overall city municipality, or some other kind of government is the best thing. I know that the newspapers and some of the newscasters have indicated that it is cheaper to operate an overall government. Personally, I don't know, but I would like to have some figures so that I can look at them and see. . .

BRADLEY: And then you also were here, I am sure, when Mr. Lanterman, the Chairman of this subcommittee, stated that it isn't a question of compulsory legislation, but permissive legislation only that we are interested in.

PECKENPAUGH: That's true. I did hear that. I just don't like to see - well, I'm sure it wouldn't be done - but sometimes these things can be talked about in such a way that it is not clearly understood. I believe that my biggest point is to be sure that everyone clearly understands the differences in cost between metropolitan government and the individual type of city government.

LANTERMAN: Actually, Mr. Peckenpaugh, I think that the committee's intent is to have this matter so thoroughly discussed, and to have as many presentations on conflicting and varying views, that out of the material the people can make

a judgment upon facts. The question is not that they are not going to get the facts from their city council, but the problem is that you have to have a means to get those facts on a state-wide basis. You can, as the League of Cities, inquire into your city experiences, but you can't do it from the standpoint of the joint operation of districts and counties and cities. You can only approximate; and it is the business of the Legislature to be the impartial referee, if that is possible, and without having any prejudice whatever, to bring all the facts to the foreground. We want the people to take a look at those facts to see whether or not the present code provides all the leeway necessary for local agencies of government, whether it be city, district, or county, to work together jointly, or by contract, or however, so that they can exist at a level that the local government taxpayers can afford to pay for. Now that's a roundabout statement, but the point I am trying to get at is perfectly obvious. We have reached a cumulative tax burden in some of the metropolitan areas that makes it almost imperative for the home owners and the businessmen in the areas to consider what is this total cost of living under local government - all agencies, not just cities, the county, or districts, but all combined - is this cumulatively the kind of thing that we can amortize and control? Actually then, it is the business of this committee to get not just the cost factor, but levels of service, levels of efficiency, levels of home rule, and proper representation. All of these things are part and parcel,

as I see it, of the metropolitan picture. "Metropolitan", as a term in itself, doesn't mean a quick solution or answer to anything collectively. We have to study what will be applied, and what can be applied, to a given end to be most suitable, but in any event, all we do then is provide the machinery so that if the area wishes to take advantage of it, they may do so - but not to have anything imposed upon them.

Thank you very much, Mr. Peckenpaugh. We will now hear from Mayor Isen of the City of Torrance. Thank you for being patient with us, Mayor Isen.

ALBERT ISEN, Mayor of Torrance: It was a pleasure, Mr. Lanterman, inasmuch as I have not attended any of these hearings before.

LANTERMAN: Will you identify yourself now and make a statement if you have one, or be subject to questions by the committee?

ISEN: My name is Albert Isen. I have been Mayor of the City of Torrance for the past three years and was a councilman the year before that. My term will be up in April of this year.

LANTERMAN: The All American City!

ISEN: I'm glad you know that, sir. I have no prepared statement, but I received a letter a few days ago saying that Mayor Center either had appeared or was going to appear here with his five city consolidation plan. I immediately wrote back, since the letter had asked whether

I would deputize him to speak for me or for our city, or would I care to appear. Since I disagree with Mayor Center, I thought it would be better to appear than make him my deputy.

LANTERMAN: I think in his presentation, Mayor, if you were not here, perhaps you did not know that his presentation was to the effect that informal discussions only had been held by citizens' groups, and occasionally a few officials down there in the Bay area cities of Torrance, Redondo, Manhattan, Hermosa, and El Segundo, and that some citizens and some groups had discussed possibilities of ways and means of consolidation of some functional services, either through consolidation of a city or otherwise.

ISEN: I might say, in addition to this, Mr. Lanterman, I am also interested in this problem of metropolitan government, which I will go into after a couple of remarks on Mayor Center's idea.

LANTERMAN: Well, you are aware of what has been discussed in your area. You express your opinions and give your background of understanding about anything that has been done, to what extent it has been done, and what the position of the people of Torrance would be in any event.

ISEN: I can do that very easily. Mayor Center made this proposition several months ago. There is no background - there is nothing new, nothing novel, about this proposal. I've been told that the same thing has been re-occurring insofar as the consolidation of the beach cities is concerned,

every now and then over the past ten years or even longer. The cities of Redondo, Hermosa and Manhattan would now and then discuss the feasibility of the plan, but nothing ever happened except discussion. About a year ago, one of our city councilmen got quite a rise when he proposed that a number of people from Redondo Beach had approached him and they were interested in annexation to Torrance.

LANTERMAN: Merger of the cities?

ISEN: No, by annexation. That was different so far as Torrance residents were concerned - quite different. I would say that I think we have in all of these cities a very high degree of local patriotism; and the proposal was treated more or less as a joke, rather than anything else. Mayor Center has been in office, I think, about half a year. I know he did not consult with me or anybody in Torrance when he made this proposal; whether he did with anyone in the other cities, I do not know. He held a meeting - all I know of it is what I read in the Redondo Beach paper - which didn't appear to be too well attended, from the newspaper account that I read. A second meeting was even less attended. There has been no interest, no enthusiasm, from the standpoint of anyone in the city of Torrance, regarding this plan. It is obvious, since our local tax rate is less than the other cities, and we still have a large industrial potential. We are just beginning now with the ground being broken on this 45 million dollar Delano shopping center, which is an arrangement between

Broadway Department Store and Sears Roebuck to each put up their own buildings and businesses there. With about 70 independent and chain stores joining in the shopping center, we are going to have a terrific tax potential from sales tax that we never ever have had before in the City of Torrance. Our tax structure from sales tax is very very poor in comparison to the size of our city and its population, which you probably know is way past 90,000 right now; so there has been no interest there because we have felt that any plan like this would be merely a matter of having to share the higher taxes without a saving that would mean anything too much to the people of Torrance. In my frank opinion, this is nothing but talk, and would never be accomplished - not during our lifetime anyhow.

I would like to explore this a bit further. If it were possible, some time in the future, to consolidate, not annex, the cities of Redondo Beach and Torrance, there could be quite a degree of advantage there because Redondo is going right ahead in the same way both with industry and shopping centers and their yacht harbor. We do have a common boundary. You might say it is hard to say where Torrance stops and Redondo starts. There is quite a possibility to be explored there, but I can't see all the cities in a consolidation plan which would go now or any time in the future. As I said before, there has been no meeting in Torrance; nobody I know of in Torrance has been invited to such a meeting - I know I haven't, and if there had been any such invitations, I would have received one.

LANTERMAN: You are not aware then in the city of Torrance of any urgent need for any such consideration?

ISEN: No, we are quite interested in building up and improving with reference to our own problems, without taking over the headaches of the localized governments of the larger communities.

LANTERMAN: Tideland oil has not reared its ugly head yet in any of the considerations of the beach cities?

ISEN: No, Torrance has a beach, you know - about a mile there - but I don't think it's either to our advantage or our disadvantage; we've never had any rights down there.

LANTERMAN: When did you get over to the beach?

ISEN: Probably about - oh, I don't keep track - but probably in about 1930 when the Hollywood Rivera area was annexed to Torrance. It was quite an election; you might be interested in it. I think there were 30 votes in favor of annexation to Torrance and 24 against, if I recall it correctly. There is a tremendous area which has the best homes - up in the hills there, just before you get to Palos Verdes. We have common boundary lines with Palos Verdes.

LANTERMAN: Well, that's what you might call a mandate from the people.

ISEN: Which?

LANTERMAN: 34 to 30 or whatever it was.

ISEN: Yes, I thought you would be interested in that. Palos Verdes, as you recall, has put up the iron

boundary; they have put up these steel posts in the streets that are common to the Rivera area of Torrance and Palos Verdes so you can't go through. We call that the iron curtain, and there was quite a bit of agitation to get it taken away, but we found the people in Hollywood-Rivera wanted it as much as the people in Palos Verdes because it kept the cars off these narrow streets where the kids were playing; so we still have the iron curtain there to please Palos Verdes.

LANTERMAN: Is it legal, besides being convenient?

ISEN: I never inquired into it. It's never been contested, but I doubt it very much.

LANTERMAN: It's a public road, is it not - and can you have iron barriers in a public road?

ISEN: The new city of Rolling Hills Estates not only has that, but they have a gatehouse and guards, and nobody can go through without their permission.

LANTERMAN: That's one of the legal fictions of incorporation under certain circumstances; but, in any event, as far as the Bay area cities are concerned, there is no movement afoot that has any significance from the standpoint of official action.

ISEN: With all due respect to Lee Center, who is a good friend of mine, I would say that the movement right now - the interest in it is zero. I have talked to some of the officials in other cities and of course I haven't heard what he said here, but . . .

LANTERMAN: Would there be any interest at all, Mayor, in any participation of contracts between the cities jointly?

ISEN: There could be, yes; in fact, there has been some discussion of the possibilities, and I think you gentlemen would be serving a very useful purpose if you inquired into the possibility of a city contracting with another municipality with the idea of furnishing services. I don't think it is permitted right now; at least our city attorney told me so. Mayor Owen Goodwin of Rolling Hills, or Rolling Hills Estates - the names are so similar I get them confused - suggested that he was contracting with the County Sheriff's Office now for police service and wasn't too satisfied with it. Since Torrance is right next to this city, it might be that they could go out to bid, if the law permitted it, with the Police Department of the City of Torrance providing them with police protection.

LANTERMAN: You mean bidding against each other?

ISEN: Or against the County.

LANTERMAN: Well, in any event, if the Council of the city should care to ask this committee, by resolution, to inquire into the matter, I think it would be perfectly proper for us to make some investigation in that regard.

ISEN: That's a very good suggestion. I would like to talk a minute about this other matter because probably I am one of the vocal opponents of this metropolitan plan.

LANTERMAN: Do proceed.

ISEN: I say I'm an opponent, but really I am still open minded, if we can ever get the facts, figures and statistics

to make me change my mind. You will probably say, "Well, be open minded." but my feeling is that we are rearing off in the wrong direction. In the experience of Torrance, we have found that the bigger we have become, the more government has cost; in fact, I can't help making the statement that the other cities in the county are jealous of the efficiency we have shown; and I'll prove that. The cost of our government, however, has gone up. I didn't realize when I came up here to what extent this would go or I would have tried to prepare myself with statistics; but generally, I am correct. I remember the impressions here as to what I am talking about.

LANTERMAN: You can prepare those in detail and submit them to the committee in written form.

ISEN: We have them. The city manager, or the assistant city manager, will be glad to do so if you can give me a card or something as to whom to communicate with.

You know this is part of the All American City pitch. The reason that we were selected as one of the 11 cities year before last was that we had 22 thousand some odd people in 1950, and right now we know we are past 95,000. The official Federal census showed we had a population of over 94 thousand a number of months ago. We tried to figure out how the cost of government and the employees compared with other cities, so we made a study. We took four cities lower than us in population, and five above us, and tried to compare these cities to strike a mean average of their cost. The cost per capita for Torrance

was much much less than in any of these cities. I can't give you the figures but I can supply them later - and the number of employees was about half of this mythical average city. So, we have had the feeling that as long as we can control our own affairs, we can keep our rate down. Our rate is \$1.21 now. It was ten cents more ten years ago - \$1.31. However, in all fairness, we do charge a dollar to the householder for rubbish pickup, and also there will soon be a lighting assessment district formed, so that they will pay a nominal amount each month for electrical current. I can't help feeling that as something gets bigger, the cost of government goes up, and if we are going to consolidate into metropolitan areas, or combine city-county government over Los Angeles County, that it will become gigantic in its cost. I can't see where there will be savings. All you have to do is look at your State government and your Federal government - the bigger the agency is, to my way of thinking, the costs seem just that much more.

Since this thing got started, a lot of us in Torrance, being interested in contract cities and the so-called Lakewood Plan, have wanted one question answered. Are we the people in the non-contract cities - I want to make this clear that we do have some contracts, like health and library, which I'll get to in a moment - contributing to these new types of non-conventional services that have sprung up? I don't know. If we are, I think it is more or less unjust.

LANTERMAN: That was brought out at some length this morning, and there will be other answers to it this

afternoon from the City-County Coordinator of the County government. Actually, I think if we were to inquire into all the services, even some of those you are now contracting for, there might be an area, according to some city governments, of subsidy contained therein. The question then is how do we equalize this without special privilege?

ISEN: Well, I think I have three points, and then I'll be through. I think I am monopolizing too much time here. Now, let's see, what was the first one? It's gone.

LANTERMAN: I'm sorry.

ISEN: Oh yes, the County keeps telling us that they are furnishing these services at cost, but the point I want to make is, if you are going to buy at wholesale, there should be something in there for what we call "breakage" in business. These extras - and the other matters that go into the deal - could put you in the red; and I would like to see the inquiry go into that detail to see that in paying on these contracts, that if even a portion, let's say of the administration, all the way up to the Board of Supervisors - if they take time on that - is figured in the total cost.

LANTERMAN: They do figure a certain percentage of administrative overhead, over and beyond the overhead for the department rendering the service. In other words, general administration is parcelled in a relative manner and charged for, in addition to all of the other charges regarding the service itself. Of course, the question then would arise as to whether

you should go into additional overhead for the County Counsel, the Board, and so on. That will all be entered into in detail this afternoon. It is of very great interest to us to have this information, and also some of the comparative figures on the fire department, which was part of our study - a proposal for the consolidation of the fire services countywide. Only as a matter of discussion, as a basis of comparative costs, how do you operate your city in relation to your budget charges for overhead for administration and all related charges for the fire service? Do you break that down or do you keep it only related to the service itself?

ISEN: The fire department itself.

LANTERMAN: What do you include in the fire department budget? What charges?

ISEN: I think what I can say on that is that they relate strictly to the fire department and nothing else.

LANTERMAN: Well, I have given you one of our secretary's cards and if you will send us a copy of your budget, indicating the charges that are or are not included in the fire department portion of the budget, perhaps it will be useful to the committee to make a comparison with the printed fire report.

ISEN: I'll just say one more thing, and then I'm through. I think that the county government, as such, is too big and too cumbersome now. You have seven and a half million people and only five supervisors. I think the people from time to time have asked that

LANTERMAN: We haven't gone beyond five and a half million yet. We hope we don't have seven and a half - that's including the so-called metropolitan area of Orange County and points east to Cucamonga.

ISEN: At any rate, five and a half million is pretty big too.

LANTERMAN: Yes.

ISEN: I think the Board of Supervisors should be enlarged for better representation; I think we ought to have more supervisors and less deputies.

LANTERMAN: Do you think that you would have better representation under a charter amendment that would produce a larger number on the Board?

ISEN: Yes, I do.

LANTERMAN: Such as?

ISEN: On, nine; I've heard people say as many as fifteen, but I think about nine.

JOHNSON: Why nine?

ISEN: Five is too few and fifteen would be too many, I think.

JOHNSON: That doesn't even make logic.

LANTERMAN: Does nine make better than seven?

ISEN: Yes, it's a matter of dividing up the work there. Each of these supervisors has three or four deputies.

JOHNSON: What are we going to do in 1975 when we come up here . . .

ISEN: I don't think we are going to worry about it. I don't think we are going to worry about 1975, Mr. Johnson. I'll go a step further. I think the County is too big and it ought to be split up.

LANTERMAN: You want to split the County up - into what?

ISEN: Smaller counties.

LANTERMAN: Where - I mean, for instance?

ISEN: I would like to see Torrance County.

LANTERMAN: Oh! Well, Long Beach had the same idea. Are you willing to merge, say, with the City and County of Long Beach?

ISEN: Whether it would extend to Long Beach or not - not city and county. I think we want home rule. We want our separate city, but I would like to see smaller counties.

LANTERMAN: You wouldn't be willing to be a borough within the city?

ISEN: No, I don't think the people would want it.

LANTERMAN: That's too much home rule?

JOHNSON: That would make 65 more counties in Los Angeles County.

ISEN: Are you worried about the Assembly on that?

JOHNSON: No, it wouldn't bother me because I have my area.

JOHNSON: If you had 65 more Assemblymen, that ought to make quite a good deal.

ISEN: Yes, but we would have a few more State Senators too, you realize that; we only have one now.

JOHNSON: That's good, I'll go for that. Instead of having seven representatives down here, we would have 65 more Senators. We need them!

ISEN: Well, you may have to balance this thing out. I'm not saying 65 counties, Mr. Johnson; you're carrying it to the extreme.

JOHNSON: But on the principle of

ISEN: No sir, no sir. . .

LANTERMAN: Mayor Isen, are you thinking seriously of this now? We may be joshing a little

ISEN: Yes, I am serious. You know that . . .

LANTERMAN: What regional areas?

ISEN: Well, I haven't gone into it that far, and I'll tell you why. First of all, you know that Riverside broke away from San Bernardino; I think I am correct about that. .

LANTERMAN: It's a good many thousand square miles.

ISEN: All right, but at any rate, I haven't carried it any further because there is a state law that prohibits it as far as Torrance is concerned.

LANTERMAN: The law is always made to be changed.

ISEN: Well, that's why I brought it up. If I remember right, if it is within ten miles of the county seat, it is impossible. Of course we have the Los Angeles shoestring strip right across the street from us there on Western Avenue.

LANTERMAN: That started an awful mess, didn't it?

ISEN: Yes, so I haven't explored it further. I can't explore it now, and I think the committee would have quite a job

in exploring just that one phase of it; but I know you could keep adding and adding assemblymen and counties, like Mr. Johnson said, until you reach an absurd situation. It's a matter of deciding if you are going to increase supervisors, what the correct number would be. You all agree with me that five is too few in a county of five and a half million people. What an extent of power reposes in five men; and not only that, now they want to consolidate and become a metropolitan government running both the city and the county.

LANTERMAN: Well, I didn't know that that was the concept of metropolitan government. Has that been advocated? That a metropolitan unit of government here would be run by the Board of Supervisors?

ISEN: How else would they do it? If we are going to carry these contract services on and on and on, that's what is going to happen.

LANTERMAN: The contract services method, Mayor Isen, is purely one of these interim things that is a means of operation during the growing period, and is a device by which some cities are able to use these services at a very great savings to the taxpayers. This is done on the basis of availability of staff to be used as needed, but not to be created and set aside even when they are not needed. This is one of the problems of economy in a city government of only a limited size.

ISEN: I agree, Mr. Lanterman, but that interim is going to be a long long time, I think.

LANTERMAN: Well, the question is, it will be a long

long time if you are not going to study your problems first and find out if you're talking in facts that are facts and not fancy. It's too grave a problem to undertake for metropolitan consideration when you speak of dissolution of existing agencies of government, until you've merged, or consolidated, those functions. Now this committee has confined itself primarily to functional consolidation, which is administrative, on a permissive level, and out of its discussions come these things relating to political consolidation - or superimposition - however you want to look at it.

ISEN: I was very glad to learn there was such a committee and the interest you are putting into it because we are all very very interested in this problem.

LANTERMAN: The Municipal and County Government Committee of the Assembly is the authorized committee of the Lower House of the Legislature to handle problems of local government; and this is a problem of local government, primarily of interest to us in Los Angeles County. This subcommittee is confining itself to this particular aspect of functional consolidation - is it useful, is it needed, do we have anything to do in the field of legislation that will permit cities to do things they can't do now if they want to do it?

ISEN: Well, I don't think Torrance wants it. I can say that.

LANTERMAN: All right.

ISEN: Thank you for the privilege of appearing and telling you how we feel.

LANTERMAN: Thank you very much, and will you send us your report and a copy of your budget?

ISEN: Yes, our City Manager will send it to you in detail, which I am not able to do.

LANTERMAN: It will be very helpful to us. Thank you very much. Now may we hear Norman Ream? Thank you for your patience, Mr. Ream. You see these things sometimes go beyond our schedules.

NORMAN REAM, Member of Finance Committee, City of Downey: That's perfectly all right, Mr. Chairman. I am Norman Ream. I am a private citizen in Downey, California, and am also a member of the Finance Committee of the City of Downey. I was General Chairman of the Citizens of Downey for Incorporation that brought about the incorporation of Downey. I think inasmuch as we have heard so much of the Lakewood Plan, maybe we had better call ours the Downey Plan.

I think that one of the things that should be brought about out to this committee is a little background on Downey, and that is that there were three issues for Downey incorporation. The first issue was home rule, of course. The second issue was to establish their own fire department. The third issue was to establish their own police department. These were three issues that were widely publicized throughout the campaign.

I would like to also say that incorporation was defeated in Downey by a two and a half to one vote in 1954. It was passed in 1956 with these three issues, which I named

to you as the main issues of the campaign, and it was passed three and a half to one. So, I think it should show the committee that the people, when they get the information, can make up their minds as to which way they want to go and what they want to do. I think it is a clear indication that the people want home rule and that they can understand facts when they are presented to them.

I would also like to comment on the information given on Lakewood this morning. I think that there is some comparative information which the committee should be interested in, and it is this. The Lakewood area has an assessed valuation of about \$50,000,000. Downey has an assessed valuation of about \$113,000,000, based on 1957-58 figures. Therefore, Lakewood contributed about \$300,000 for fire protection for some 75,000 people in the Consolidated Fire Protection District this fiscal year. Downey contributed - although they have now withdrawn - almost \$670,000 for some 85,000 people. If my mathematics are correct, I think this is about \$4.00 per capita in Lakewood, and approximating \$9.00 per capita in the Downey area. I think this type of information should be significant to you in making any evaluation that you are going to make.

LANTERMAN: May I ask a question right there, Mr. Ream? We should keep in mind, I think, that the per capita has a relationship to the type of properties protected, and you do have a substantial number of commercial and manufacturing plants in the Downey area, do you not?

REAM: We have one large plant in the Downey area and that is North American Corporation, which, by the way, has its own fire department entirely within the confines of their own plant. I believe that last year that fire department consisted of some 56 men.

Now I have a prepared statement here which I would like to read for you, and if you then have any questions, I would be glad to answer them.

Ex. VI. I doubt that John Colton, fire insurance spokesman who spoke to you yesterday, could substantiate his statements of yesterday that Downey barely qualified to keep the insurance rates as they were under the former protection of the County Fire Department because no study has been made of that area since 1955. At that time it was my understanding, and I have seen the report, that the county qualified for the same rate the city has now by about 15 points; and if you know the ratings, as I sure you do, this is very marginal.

Also, it would perhaps do this assembly committee well if they could obtain a copy of the report issued by the Pacific Fire Rating Bureau on the Downey fire protection situation in 1955 and acquainted themselves with the multiplicity of deficiencies that were brought forth in that report. They would find that the Downey area was under-equipped, under-manned, and that the force was under-trained - to name a few items of deficiencies which were included in that report.

This committee, of course, is aware that fire insurance rates are based on many factors, other than the

number of pieces of equipment and the number of men available. Water is one of the big problems and fire prevention activities are another. The Downey water situation is a horrible mess and it came about under county government. I might add that in Downey there are hydrants in existence, that with the normal use of water, if the fire department pulled up and hooked to that hydrant, there would be no water available to put out the fire.

LANTERMAN: Did the county provide the water department?

REAM: The county did the planning for that area.

LANTERMAN: Well, what do you mean - planning?

REAM: Every water line that went in there had to be under county jurisdiction, because when those water lines went in, it was under the county government.

LANTERMAN: You mean as to size?

REAM: As to size, as to planning for them, planning for growth of the community, and so on. There was a complete lack of communication there between the requirements of the area and the planning for the area.

LANTERMAN: I am only interceding here, not to take you apart on it at all, Mr. Ream, but I am acquainted with the county authority relating to water, and if it is not a County Waterworks District, the county has no jurisdiction whatever over the size of the mains.

REAM: Well, that may be true.

LANTERMAN: You have a private water company?

REAM: We have in the Downey area at this time 11 private water companies and one County Water District.

LANTERMAN: Well, the county water district would be a local body which has no relationship to the county government.

REAM: That is correct, but the private water companies would get their authority from the county government, am I correct?

LANTERMAN: No, you are not. That is a public utility, and the only authority they get from the county is the franchise to use the public streets.

REAM: Does not the County, through their building codes and other authority, set up the size of the mains that are required in the area?

LANTERMAN: No, I am sorry, they do not and have no authority over it.

REAM: Well, then, I think that this is one point that the committee could well take into consideration, those areas that are now under development, to see that there is State legislation requiring proper size of mains, and so on, in these communities.

LANTERMAN: I inquired of the Public Utilities Commission when they were setting up the requirement for a private utility to provide water in an unincorporated community, and I asked if there were any requirements under the Public Utility Law that would require, as a matter of State supervision, the size of the water mains for the use of fire protection. I was instructed that there was none whatsoever relating to the Utility Commission's control over the size of the mains for

other than domestic use. If there was to be any fire standard set, it would have to be done separately and entirely aside from their authority. According to my information, and if I am wrong I can stand corrected, there is no requirement by the county from the standpoint of supervision because they have no authority over a private water utility to provide mains. So, I merely want to outline that under the county supervision that was not necessarily the answer - only as to the location of the fire plugs and so on.

REAM: I see. Then, as I stated, Mr. Chairman, it would seem to me that this is one area, certainly, where the Legislature could take action to see that State laws are passed that would require that at least sufficient water would be going into an area for fire protection.

LANTERMAN: For fire protection, and have that superimposed upon private water companies as a standard requirement?

REAM: That's right.

LANTERMAN: Would it be your suggestion that a fire improvement district charge be set up for that purpose so that the local areas benefited would pay in proportion to their local benefit of the protection rendered?

REAM: Well, inasmuch as under private water companies, cities do pay for the use of those mains, I think they would be remunerated by that means.

LANTERMAN: They pay a standby for hydrant use, and then if they use the hydrant, that's to cover water cost and not for use of the mains.

REAM: That's right.

LANTERMAN: I'm sorry I interrupted you.

REAM: That's all right.

GEDDES: Mr. Chairman, I have a question to run along with that, and of course we can't determine it now. It would have to be a statement from the County. It seems to me that before I would make a contract to furnish a service, I would certainly have something to say as to how much water I was going to have to use, if needed, and where it would be located. I think that belongs to the question. Do I understand that under the former conditions there was this deficiency - in what is now the City of Downey - and does it enter into your plans to change that, and have you replaced the water supply with a different pattern - a different availability? So, is the question of deficiency of water in this location still an issue?

REAM: Well, Mr. Geddes, I might say this. The City of Downey has now contracted with an engineering firm to study the whole problem of water in the Downey area, and they are in motion to see that corrected action is taken. Also, in their fire department they have established that they would be able to carry over 3,000 gallons of water to any fire. This is much in excess of that that was available under the County Fire Protection District. They have one tanker that will carry almost 1200 gallons of water. As you know, this is sufficient to put out almost any house fire that would occur. So, they have taken this type of thing into consideration.

LANTERMAN: Well, Mr. Ream, I think we should find out there what you mean by saying you have had a study instigated. Is it the position of the city council of Downey that you will municipalize your water services and condemn the existing private organization?

REAM: I am merely a private citizen, Mr. Chairman. I cannot speak for the city council.

LANTERMAN: Well, would that be your recommendation as part of the Finance Committee's report to the Council that you condemn the private enterprise that now composes your water system and standardize the service?

REAM: I wouldn't say that would be the recommendation at all. I say that it is under study and that certainly corrective action will be taken--whatever is necessary.

LANTERMAN: If your committee then wishes to send a recommendation to this committee to the effect that there should be legislation to require fire standards for private utilities serving water to either unincorporated or municipal areas, that would be a constructive recommendation which you can forward to this committee. Thank you. Go on with your presentation.

REAM: I also wanted to point out, from the standpoint of fire prevention service, it was almost completely lacking in the Downey area while they were under the county fire protection service, and it is so pointed out in the insurance rating report that I mentioned. Further, it was my

understanding that the County Fire Department could not legally appear before the city council to request council action to improve known situations, and they made no such appearances before the city council during their joint operation in Downey. Therefore, there was a complete divorcement of a legislative body setting up the law and the administrative group attempting to enforce the law.

As you probably are aware now, fire prevention is one of the main emphases being placed in the Downey area in their fire fighting efforts.

I would like to say this too about the interim report, that it is my personal opinion that this report, put out by the Federated Fire Fighters of California, is a result of their lobbying efforts, and if this committee is truly interested in reducing taxes and duplication of services, they should launch into a true study of the problems of government, rather than going off in a tangent as a result of a lobbying effort. There are many problems of a metropolitan nature which could be handled on a consolidated basis at a probable savings to the taxpayer. However, in my opinion, law enforcement and fire protection are two that are least suited for consolidation. It is my opinion that each community should be able to state and then accomplish the level of service that they deem desirable for their community. I can imagine, for instance, the confusion that would reign if one consolidated police department attempted to enforce the laws of 54 different communities, each of which would vary from the other. The same applies in the case of fire protection. That's all I have to say.

LANTERMAN: I would like to comment if I may and enlarge your statement about the lobbying efforts of the Fire Fighters. I presume that is a general term. Any group of citizens can petition the Legislature, Mr. Ream, to present their viewpoint. It doesn't have to be an agency of government - any group, any organization - and they do constantly. That is practice that is common. Now the question is, the presentation of this report was not adopted in whole or in part by the committee recommending any action; it was recommending only that it be studied as a basic contribution to the problem. It was a very exhaustive study. Now whether it was entirely correct, partially wrong, wholly valid or invalid, makes no difference here except that those who disagree had the right to come in today and yesterday and state their areas of disagreement, so that the committee would be better informed as to the whole content of the report. Now, there were some questions that I would like to ask you about the water supply and the fire potential down there. I understand that you said there were only 15 points by which the county qualified under the classification of Class 2.

REAM: No, I said that as far as the fire insurance rating it was my understanding, and I believe you will find it in the report (1955 report) that the county qualified by about 15 points.

LANTERMAN: The County Fire Department.

REAM: That is, Downey is in Class 4 or 5 and 7 at this time, so far as fire service gradings are concerned.

It is my understanding that they qualified for Class 4 by 15 points; and as I pointed out, you know that this is a very marginal thing.

LANTERMAN: Well, now the question that comes to my mind is - you mentioned that you now have three pieces of equipment with 3000 gallons capacity?

REAM: No, I didn't say that. There are six pieces of equipment in the Downey area.

LANTERMAN: Well, of the water carrying type.

REAM: There are four pumpers with 500 gallons capacity; there is a tanker with nearly 1200 gallons capacity; and there is a piece of standby equipment which I believe has 400 gallons capacity.

LANTERMAN: That's within a radius of what. . . ?

REAM: That's within a radius of 11 square miles.

LANTERMAN: May I interrupt the proceedings here for a moment? The Police Department is trying to find a Mr. Flowers. Is there anyone in this audience by that name? If so, will you report to the officer in the rear? No sale. He was here this morning but is not here this afternoon.

The 11 engines, or 13 engines, of the county within the radius of call, according to my information, had 6500 gallons of carrying capacity of water.

REAM: Well, I think, Mr. Lanterman, if we want to get down to this, we should get a map, and we had better find out if these so-called 13 engines, did you say, were within

the proper radius. We had better find out how many parcels of property, or how many homes, and what the population covered by the number of engines were as compared to what is now in the county area.

LANTERMAN: I think we had that pretty well laid out before us yesterday.

REAM: I think you will find that the coverage is much more dense at this time. Some of the stations that you have referred to are six and a half or seven miles away from mid-Downey.

LANTERMAN: That's quite possible. The only question was that which was available in case you had no water. That was the point. And I think there is something that we had better clear up, and that is as to the water content of your mains - I mean the water delivered at the hydrant - what your volume flow could be, and so forth.

REAM: Well, let me make it clear that in the areas that are now covered by the Downey County Water District, which is the county district serving that area, it is my understanding that there is not a problem. The problem for the most part is in small private companies; and I am sure that you are acquainted with this, that it is not a problem peculiar to Downey but is a problem all over the California area.

LANTERMAN: That is a State problem lying within the jurisdiction of the State Public Utilities Commission. It is not a local problem unless city government assumes jurisdiction

by condemning the water facilities of the private companies for purposes of creating a county waterworks district, and set up their own standards

REAM: It is not only a legislative problem, sir, but it is a physical problem.

LANTERMAN: It would cost a great many hundreds of thousands of dollars - maybe up into the millions - to make these corrections.

REAM: That is correct.

LANTERMAN: So that would enter into the problem of fire cost and should be assessed as a direct fire charge.

REAM: You are perhaps correct in that. I will not argue with you on it.

LANTERMAN: Yesterday we had a suggestion that there was very little cooperation between the County Fire Department and the City of Downey; and I happen to have some photostats of City of Downey communications to the Los Angeles County Fire Department in which, relating to certain items of agreement, in document after document Downey expressed considerable appreciation to the cooperation of the County Fire Department. I just thought I would remind you that general statements of displeasure are not particularly important. You haven't made them but I mean we shouldn't get into those aspects of a situation.

REAM: Well, it is my feeling on that, Mr. Chairman, that this is a large community that we live in - it's a metropolitan area; and I personally feel that Downey has done the

right thing, and that any figures you would care to have would support this position. However, I also feel that there should be a working relationship between these various departments. I think there must be a working relationship between city and county government, the same as there is between city and State government, or county and State government. After all, one is just a subdivision of the total government we have in this country.

LANTERMAN: That is correct, and we want to make sure that there is that relationship.

REAM: I think it should exist.

LANTERMAN: I have here some budget figures for the fiscal year of 1957-58 for the fire department, and I see that the California State Retirement System item of \$65,000 is not included.

REAM: That's correct. The figure you have there, I believe, is probably some \$385,000 for the total budget of the fire department, exclusive of this \$65,000.

LANTERMAN: The item here relates to \$229,000 for personal services, of which there were some 8 month salaries involved.

REAM: No, those are for ten months.

LANTERMAN: They were raised to ten?

REAM: Yes, that's correct.

LANTERMAN: Maintenance and operation, \$12,000; Capital Outlay, \$44,000; Capital Outlay (1), \$320,000. That

was the amount that you received from the Fire Department in lieu?

REAM: No, there actually was \$678,000 received due to withdrawal from the fire protection district, and part of these funds - this \$320,000 - was initially in the budget to be expended from that amount of money.

LANTERMAN: And it did not include the \$12,000 hydrant rentals?

REAM: That's correct.

LANTERMAN: So that you . . .

REAM: I don't know whether you are looking at sheets from the budget that was issued on June 30 - July 1, I'm sorry. There was a revised budget that was adopted by the city at I believe the first meeting in October. As I see from here, I believe you are not looking at what is now the official budget of the City of Downey.

LANTERMAN: Whatever it is, Mr. Peavey promised that we would have a copy, and will you remind him that we would like very much to have a copy of the budget of Downey, so that we can make comparisons and find out whether or not the report was only partially correct in those respects.

REAM: Mr. Chairman, I happen to be a C.P.A., and I know how costs can be maneuvered around and presented in many different ways. If I could make a suggestion to this committee, I believe that the committee should outline all of those costs which they feel are attributable to fire protection in a city; those then would be the ground rules under which all cost

comparisons would be made. I believe until you define what you consider to be the fire protection costs, you are never really going to come to grips with the crux of the problem, which is, how much does it cost to furnish fire protection?

LANTERMAN: We were interested primarily in the comparative figures, and we were trying to find out on which basis one set was determined and which set the other.

REAM: Well, I think what you should do is set the ground rules in such a study as you are making now, and then have them all submit it on that basis, and be sure that they include all costs.

LANTERMAN: We will send a communication to the City of Downey and ask for - under certain ground rules, as you suggest - that these charges be included for purposes of comparison, and we will have the budget then with those items included.

REAM: Fine. I think if you do that with every city you will get a legitimate figure for comparison.

LANTERMAN: Any questions from members of the committee? Yes, Mr. Geddes.

GEDDES: I would like to ask one or two questions. As I understand this, you formerly had a contractual arrangement under what is permissible now under the law.

REAM: No, that is not correct. We were a member of the Consolidated Fire Protection District; and as such, you are either a member of the District or you are not. You cannot contract with that district.

GEDDES: Oh, I see. Then after the incorporation, Downey decided to go on its own.

REAM: Yes, that is correct. That was in the initial plans of the incorporation and was a major issue of the campaign.

GEDDES: So that, on the other hand, you understand that if you had incorporated as Lakewood did, and had the same measure of dissatisfaction, and it was felt by the representatives of local government that it would be desirable to terminate the contract, that they or you would have had that right and power.

REAM: Well, if I understand you correctly, what you are saying is we could have remained in the Consolidated Fire Protection District after incorporation and then withdrawn if we had so chosen.

GEDDES: Could you?

REAM: That is actually what happened.

GEDDES: Well, it could happen in other instances. The reason I brought it out, Mr. Chairman, is that we've been talking about home rule, and I think it's something that everyone agrees with and believes in; and home rule to me means the freedom of choice.

REAM: That is correct.

GEDDES: All right. So that you have the freedom to right now as an incorporated city make a contract with one of two power companies - if there are two power companies serving you - for the lighting of your city streets, and it is mandated that if you do that, you have to put it out to bid. You have

the right to contract for a great number of things that the city can buy; you can contract for the services of an auditor, and things like that, which are certainly the exercise of free will and the home rule function. As we look at any proposal which would authorize any extension of the consolidation of functions, as long as the right is still left there to terminate them - just as the unification and disunification of school districts is provided for very completely under almost every conceivable condition - the Committee, as such, in recommending any legislation that it might come up with, is certainly not interfering with home rule.

REAM: Well, of course, Mr. Geddes, I think that when you talk about police and fire protection, you are probably talking about two of the major items in home rule. And when I say they are major, it is because they are two of the things that really affect everyone. It is the right of the constituents of an area to determine what level of service they wish to have; and in police departments, I think it's up to them to determine what laws they want to pass and how they wish to have their area policed. By joining a large metropolitan area, I think that this tends to get divorced and gets away, and there is not this ability of a city council of a city to have this department, or these departments, operate in the fashion which they wish them to operate.

GEDDES: In other words, the argument could be brought up that you wish to enact a certain ordinance which would carry

a penalty that the police would be required to enforce, and you might say, well, we can't do that because the general picture - the general status - of the whole big superimposed government doesn't provide for that, so then home rule would be choked up.

REAM: That's right. Well, let's take an example of a police department. If all the cities of Los Angeles County were to dissolve their police departments and contract with the Sheriff, none of these cities would have the same laws. Consequently, you would have the Sheriff's Department operating a separate police force for every separate city in Los Angeles County, and consequently, he would have to have the equivalent at least to a chief of police in every city - the same as you have today. I believe that this points up that this picture of economy in these areas, while it looks very good, I believe your study will probably prove that there are other areas where economies can be effected. One of the areas that I can think of, for instance, that would affect police, I believe could be illustrated within the County of Los Angeles. If you had a centralized police file for the City of Los Angeles, all the various departments, the County of Los Angeles, and so on, and you had one crime prevention lab, and things of that nature, county government could render those services to the local forces and perhaps have some economies.

GEDDES: That would be analagous to our engineering services where certain functions are performed

REAM: I believe so, yes.

GEDDES: . . . and also to a large extent analagous to our health service.

REAM: That is correct, but it would be furnishing services to a specific part of a local government.

LANTERMAN: Thank you very much, Mr. Ream. I've enjoyed your presentation.

REAM: Thank you.

LANTERMAN: Now, Mr. Leask. We're a little tardy; I'm sorry.

SAMUEL LEASK, Jr. City Administrator, City of Los Angeles: Well, that's all right. I've enjoyed listening. I am Samuel Leask, Jr., City Administrative Officer, City of Los Angeles.

Gentlemen of the committee, having had the benefit of an opportunity to examine the special report on fire services in Los Angeles County, which, as I understand it, constitutes the basis for the consideration of the interim committee here today . . .

LANTERMAN: That and contract services, Mr. Leask.

LEASK: I see. Well, I am only going to talk about

LANTERMAN: Whatever you choose.

LEASK: I have had prepared an analysis of the report which I think is completely objective and too long to read. It may be of some interest to the Committee, and if so, I shall be glad to give you this copy of it.

LANTERMAN: We will be happy to have it.

LEASK: Now insofar as the consolidation of fire services within Los Angeles County is concerned, it seems to me that this is one of those issues that is neither black or white. Things of that kind are controversial at points and it seems to me that within the county, inasmuch as we are considering unincorporated areas, small cities, and some large cities, that there is room and will be room for an expression of viewpoint on the part of representatives of the various areas and interests which may result in some differences of opinion.

As I apply the proposal that has been made to the interests of the city of Los Angeles, it seems to me that at some points the city itself might stand to gain; at other points, and possibly most points, there is a question.

About all I want to suggest to you here today is that before any definite action is taken in the matter of the consolidation of fire services within the county, opportunity be had to study the conclusions of the Los Angeles area government study commission. I am sure you are familiar with the plan. Mr. John Leach, who is Assistant Chief Administrative Officer of the County, has given a tremendous amount of thought to this whole matter, as have many of the rest of us. Mr. Leach, acting through his principal, has provided a report to the Board of Supervisors which has received favorable consideration, and I am going to read to you just one little short paragraph of the report.

"The primary purpose of the attached report is to indicate the significance of reviewing the complex maze of governmental structure in the Los Angeles Metropolitan Area. It proposes the need for the formation of a top flight and representative citizens' commission to spearhead the study of the problem and recommend solutions thereto. It further outlines in detail a specific course of action to be followed for activation of such a commission."

Now, in response to this proposal, there has been appointed a committee of 15 members: five from the county, as such; five from the League of California Cities, who will represent the incorporated cities of Los Angeles County outside of Los Angeles City; and five from Los Angeles City. It is the purpose of this group to engage in a serious consideration of all of the problems which relate themselves to this most important issue. I don't want to take any position here today insofar as, for instance, the consolidation of fire services within the county is concerned. I don't think we are ready for it. I think there are many many things that need to be studied much more carefully than there has been an opportunity to do up to this time. I think we should all be open-minded; I think we can't afford to be complacent about the status quo. On the other hand, I think we ought to be very careful as to what we suggest as possible corrective actions.

That, Mr. Chairman, is my position in this matter. I just think it is premature.

LANTERMAN: Well, Mr. Leask, I wonder if it might help any in your consideration of the report to consider it in the manner in which it was published, as a matter from

which we then have a basis for discussion of the problems involved. In other words, a presentation has been made with a good deal of study and a good deal of care by a group of people. We published it for the purpose of information insofar as the report went. It made recommendations but not the committee. The committee uses the report now as the basis from which we can come and discuss, among other things, the fire problem; but it is a metropolitan type area of inquiry and therefore has merit only in the respect that we are now accumulating facts that even your study commission might use as part of their groundwork.

LEASK: Well, at that point, I can't help but agree that this whole effort is constructive.

LANTERMAN: And again I say, we come with no mandatory thoughts in mind or preconceived judgments. We come for information; we make inquiries; we get facts; we get conflicting opinions; and we assemble these for study and for reference. An example is the recommendation made here just a few minutes ago by a citizen that there should be some requirement as to fire capacity in water mains regarding private water companies. Only such permissive legislation as might be suggested by the cities, the county government, or the districts, that could help them in any of their present problems, is our concern. The report speaks for itself and if there is area of disagreement in the material which you have given us, we will use that, plus the fact that the League is going to present a compilation of their opinions relating to the report, and perhaps contrary recommendations.

LEASK: Mr. Chairman, I want to say in connection with the presentation on the report that it is nothing more or less than an analysis - a digest. We haven't made any attempt to provide anything more than some comments; we question a few things, such as the basis for the provision of costs information, and so on.

LANTERMAN: Mr. Leask, I have seen some of your previous generalizations on an approach to a metropolitan concept, such as the municipally empowered corporation countywide to provide certain services, with certain forms of representation. At least that was a general statement, I think, that I read in the paper. Had fire entered into any of those considerations for that kind of government?

LEASK: I don't think any of us can close our minds to the possibility of a metropolitan approach to the solving of the fire protection problem. As I think I told this committee a couple of months ago, I think we were talking about health at the time . . .

LANTERMAN: You are making progress on that health report, in any event.

LEASK: That's right. Yes, that's in, and the consolidation committee is supposed to have a preliminary report ready on March 1st. I think it has to be remembered that here in the metropolitan area of Los Angeles County we are already administering many of our most important programs on a cooperative basis. I am sure everybody realized that. Now, when I was up in

Toronto, I found that those people got together at the metro level primarily, as it seemed to me, to solve three pressing problems. They were, first of all, in trouble at the point of roads; they didn't have a provincial highway system, such as we have in Los Angeles.

LANTERMAN: What is the province related to in our language?

LEASK: It's the state.

LANTERMAN: Do they have a county in relation to ours?

LEASK: I don't think they call it a county but they have a form similar to the county. At any rate, they had this road problem and they had trouble getting access to and egress from the City of Toronto, so they felt that they had to get together on a metropolitan basis to solve that problem. We were already working through the State at that point. Another difficulty they had was sanitation. I think they have 13 cities in what might be called the county there; and as I remember it, about half of those cities had access to Lake Erie for sewage disposal. The others didn't. It was advantageous for the other towns to tie in with Toronto, and the ones that did front on the Lake, to reinforce themselves at the point of adequate sewer disposal and sanitation. Another issue they felt they had to meet was planning on something other than strictly the municipal basis; and they had a good planning over-lay there. I was there a couple of months ago and found that they have taken the initial steps to expand their operations over into the formation of a

metropolitan police force. So you see, things are coming along in that way.

LANTERMAN: Have they taken a step for fire?

LEASK: As far as I know, they have not; they hadn't at that time.

LANTERMAN: It's under discussion, and they are about to do so, I understand.

LEASK: I am sure that you are familiar, Mr. Chairman, with the fact that the Los Angeles Chamber of Commerce is conducting a symposium on this whole subject on April 8. . .

LANTERMAN: We'll be there.

LEASK: and a representative from Toronto is going to speak. I think that is going to be important. But here we have the highway matter on an overall basis; we have our sanitation districts, sanitation programs, being administered on what might be called the metropolitan basis; we have air pollution control; we have the flood control; we have many of these programs that are troublesome to a great many of the poorer cities of the United States which are being taken care of on this cooperative basis.

LANTERMAN: Already operating.

LEASK: Yes, already going. I don't think sufficient knowledge

LANTERMAN: You look upon the county sanitation districts and the City's Hyperion as being metropolitan in concept even though divided?

LEASK: Well, yes, but the city has contracts with some other cities - Vernon, Santa Monica, Glendale, Burbank - you know? Now my only point is that it seems to me before we move further in this direction that we need a great deal more study on the part of people who represent and are familiar with the problems of all the various areas. In other words, you have the problems of the unincorporated area, you have the problems among smaller cities, and you certainly have problems that relate themselves directly to the great city of Los Angeles. I think that we have got to get together; we have got to be patient; we have got to be intelligent; we have to know where we are going and what we are going to do; and it is going to take a lot of time and hard work, besides applied intelligence.

LANTERMAN: You agree with this committee then that fulfilling its function of getting all of the material that it can to make available to the rest of the State and other metropolitan areas, is rendering a service.

LEASK: Oh, I think, Mr. Chairman, that your efforts are highly important, and we are very happy to cooperate. We want to continue to cooperate, and the fact that you are taking your time to come here - and I know you will visit other communities - is an inspiration and an encouragement to all of us. We do express our appreciation.

LANTERMAN: Thank you very much, Mr. Leask.

LEASK: There is just one other point that I would like to raise. Mr. Bradley, I think this is of particular

interest to you. I want to plead on behalf of the city of Los Angeles for favorable consideration of AB 1156 as soon as anything can be done about it. You know, that's the tax relief bill insofar as health services are concerned.

LANTERMAN: Well, that won't be up before us until 1959.

LEASK: Well, okay, but I may see you again before then and if I do I am going to take the liberty of hitting it as often as I can. It's highly important to us and I hope you won't forget it.

LANTERMAN: I don't believe we will. It is part of our report.

LEASK: That's encouraging too. I'm sorry, but I wanted to get that over.

GEDDES: You are one of a number who have advised, along with other things, that we go a little slow. With that attitude in mind, and yet remembering that we are growing and and we are trying to solve problems, do you feel that while we are making progress toward ultimate recommendation that if there are areas where these problems can be solved by federation, joint action, or something like that, it is necessary to have legislation, and that now is the time to do this particular job?

LEASK: Well, yes, but on the other hand, I think that in your meeting here today you are doing a piece of a job.

GEDDES: Well, I think so too, because I get to ask a particular question . . .

LEASK: It stimulates all of us. We think about it before we come over here.

GEDDES: I get to ask questions, and you get to pose a question to the committee, so we are agreed on that. A point which has nothing to do with fire, but illustrates the problem pretty well, is that under the law today city libraries may not contract with each other. It would be entirely possible that Los Angeles City, with its very fine library and its expert help, could provide under contract, if it were permissible, certain functions of library service; the classification and cataloguing services, for instance, illustrates what I had in mind. It would be a saving to the local taxpayers, and each one of the affected cities. Then there would be some saving to the city of Los Angeles because their same staff would not be occupied 100 percent with their particular duty, but they would be relieved of a good portion of the amount of the pay for that staff.

LEASK: That's right.

JOHNSON: I have a very easy question, Mr. Leask. We have heard of so many committees that are being formed on functional consolidation at the present time. How many do we have set up in the city, do you know?

LEASK: As far as I know, there is only one committee, other than the Los Angeles Metropolitan Study

Commission, and it is called the City-County Consolidation Committee. That committee interests itself strictly in the possibilities of consolidations between the City of Los Angeles and the County of Los Angeles. Now, under the outline which has been prepared for the work of the Los Angeles area study commission, as I explained, we are having representatives of the League of Cities, representing all of the other municipalities of the county, which makes it, in my opinion, a much broader and much more effective body.

JOHNSON: I was wondering, because we have had too many committees working on the same thing in the past, and accomplishing nothing because they were without coordination. I guess I've been around here about 38 years; we had committees then and we still have committees trying to find a solution to the problem. I was wondering if in your efforts - and I know that you have had a lot to do with these different committees - if there wouldn't be a possibility for a little closer coordination, or to have one committee rather than the separate ones we have now. It just causes confusion and doesn't accomplish the purpose.

LEASK: Well, I have to say that I agree with your fundamental premise, but it seems to me that we are really talking about two different things. The City-County Consolidation Study Commission has interested itself primarily with the possibilities of functional consolidations; and this other effort is directed toward a much broader concept . . .

LANTERMAN: Is it going to be a political consolidation?

LEASK: No, no, not political consolidation.

LANTERMAN: You mean the metropolitan concept.

LEASK: Well, I don't know whether these people are going to adopt the metropolitan concept, but certainly they will review the possibilities, which is an entirely different thing from merging, don't you know, our Public Defender with the Defender of the County, and that sort of thing.

LANTERMAN: That didn't merge.

LEASK: It hasn't yet, but these things take a little time. I don't know whether it is progressing . . .

LANTERMAN: Any further questions by the committee? Yes, Mr. Bradley.

BRADLEY: Mr. Leask, first I would like to say that I don't want you to go away from this committee and have any false hopes in regard to AB 1156, because I think it is a very important bill. There is a strong question in my mind as to whether we should reverse the position of so many cities in the State, which that bill would do at this late point. But beyond that, and I am sure that you are interested in this metropolitan area concept which is being discussed now nationwide for so many areas all over the United States, and is due to the great concentrations of population that bring about municipal, political, and public service problems, such as you have right here in Los Angeles; as we have in the Bay Area

in San Francisco, Sacramento, and so on. Do I understand that you don't have, let's say, as much concern about the possibility of an increase in the cost of government where you might have effected a consolidation of a number of political units, as some speakers yesterday and today have expressed in addressing this committee?

LEASK: Well, in the first place, I haven't heard the other speakers . . .

BRADLEY: Some of them took the position that there was a maximum size that you could consolidate either a number of services into, or political units into, which was a saturation point, and beyond that, if you went any bigger, you would increase the cost of operation. If there were to be major consolidations in any given metropolitan area plan that might be adopted and put into effect in California, here in Los Angeles, or otherwise, certainly it presupposes a certain amount of political and service type of consolidation. . . .

LEASK: That's right.

BRADLEY: . . . and I was wondering if you had any worries about the fact that there might be an increase in the cost of government if you got into this major enlargement.

LEASK: Well, I hadn't intended to get into that area of thinking, but as long as you have raised the point, I want to be helpful. I think we might . . .

BRADLEY: You mentioned the metropolitan area situation, and I was just wondering what your thoughts were on it.

LEASK: Well, I think we might take as an example this fire issue, if we want to talk about cost. I do want to be constructive, and I hope I won't say anything that will discourage the possibilities of a full and complete consideration of the whole matter. But, it seems to me that whenever you adopt the same standards for all of the fire districts and municipal fire departments within Los Angeles County, that prevail at the point of the city of Los Angeles, and I believe that sooner or later it will come down to just that, you are going to increase the overall cost. I think it may be well worth what it costs but I believe that you are going to increase the overall costs without any question.

LANTERMAN: You say it's all worth it. Do you mean in insurance savings?

LEASK: Well, you know the operations of your fire department are only one element of the underwriters' rates; you've got your building laws, water, and all these things. But, you have to remember that (and I don't have any statistics here, but I think I am exactly right in what I am going to tell you) our pay scales are substantially higher in the City of Los Angeles than those prevailing in most of the other towns in the County, and I would be inclined to believe that the cost of the pension plan which we provide is higher. I would also be inclined to believe that the standard of equipment that we maintain is more costly. We think, here in Los Angeles, that those things are all good - but they do cost money. If you are

going to apply them generally, it is going to cost somebody the difference. Does that help you at all?

BRADLEY: Well, yes, I think that is certainly part of an answer. Do you think that is generally going to be the situation if you carry it further and provide for more and more consolidation of these services? In other words, do you feel that it boils down in one regard to a question of quality of service, and the price that you are going to pay for it, as against other economies that might be effected by eliminating the duplication of executive administration, and so on?

LEASK: I think that is substantially right. As I understand some of the consolidation plans, it has been arranged to set forth and specify what might be termed minimum standards of service with the possibility for the elevation of those standards within given municipalities, should the citizens of these municipalities feel that they want and are willing to pay for an added measure of service. So, it depends upon the formula you are looking at.

BRADLEY: All right, then, isn't it going to follow that if you feel there would be a possible increase in cost on the consolidation of fire services, that you are going to run squarely into that point when you start to talk about a metropolitan area type of government? This is a very important factor not only for the commission that has been appointed to make the study, but also from the point of view of the public's concept of this new type of local government, and maybe their acceptance of it.

LEASK: I don't want to discourage the effort to establish these facts at this point, as I stated. I just gave you this viewpoint as one of the problems in connection with the consolidation of fire services. On the other hand, without any question of doubt in my mind, there are these possible benefits to many of the communities in the county. Many of the communities might be perfectly willing to support a change which would involve a more complete service, even though it costs more.

BRADLEY: Of course I understand from what Mr. Colton said yesterday that it wouldn't even be possible to conceive of a situation where a countywide consolidated fire service would have all Class 1 rating. It just isn't done even in the City of Los Angeles where you have a general Class 1 rating, but if Los Angeles annexes a new area, which doesn't of course have that rating, why there's a period of time, as I understand it, before they get that rating.

LEASK: Well, we've got, I think, three different ratings. It seems to me that downtown in the central city it's Class 1; but out in the Valley and the Harbor Area, it isn't quite as good. I think you are right on that point.

BRADLEY: When you just said a moment ago that you have this question of high quality service, higher wage scales, and so on, do you think that there is a possibility that if this came down to reality that those things could be adjusted?

LEASK: Oh, I would think so.

BRADLEY: Without materially increasing the cost of service?

LEASK: No, I wouldn't say that. I don't want to commit myself on that point. I just don't know. That's why I say we have to find these things out.

BRADLEY: All right. Of course I think it should be said that there may be some extenuating reductions to offset the other things . . .

LEASK: It could be. It could be true.

BRADLEY: I think that's all, Mr. Chairman.

LANTERMAN: Thank you very much, Mr. Leask, for your presentation and your comments.

LEASK: It is always a pleasure.

(Mr. Leask's formal written presentation follows.) EX. VIII

An Analysis of the Report of the
Federated Fire Fighters of California
on the consolidation of the Fire
Services within the County of Los Angeles

The Federated Fire Fighters report on the consolidation of fire services was submitted to the Assembly Subcommittee on Functional Consolidation on December 10, 1956. The report is lengthy (107 pages), detailed, and amply footnoted with references. In securing cost data for the report, officials of 40 incorporated cities, as well as representatives of the County consolidated fire protection district were interviewed.

The Federated Fire Fighters are as the report indicates, interested in the advantages of consolidation to firemen and mention that consolidation should make possible a higher level of working conditions and pay in many jurisdictions, as well as

improving promotional opportunities and wider choice of residence close to the place of work. The report, however, also calls attention to many other advantages and to the disadvantages and problems of consolidation. In the following pages are summarized the major points of the report, together with appropriate comments analyzing those points which require further discussion.

Growth and Nature of Fire Protection
in Los Angeles County

The report presents population growth figures for every ten years beginning with the year 1781 to show the phenomenal growth of Los Angeles County. In connection with the growth of cities, the report calls attention to the numerous annexations that have taken place. In many cases, the annexation has resulted in odd shaped areas or strips that project out into unincorporated area or other cities. It is difficult for many cities to provide adequate fire protection on an economical basis to all of the irregularly shaped extensions from the main area of the city.

The report states that there were 46 fire departments at the time of the survey. Relative size is shown in the table below.

<u>Jurisdiction</u>	<u>Uniformed Personnel</u>	
	<u>Number</u>	<u>% of Total</u>
Los Angeles City	2700	49
Los Angeles County	1000	18
Long Beach	350	6
All Others	1450	27
	5500	100

Analysis of Present Fire
Protection Service in the County

1. Deficiencies

The report indicates that the following deficiencies exist at the present time in the fire services in the County.

a. Station location and boundaries.

Many cities within the County have very irregular boundaries resulting in shoestring strips and areas isolated from the main part of the city on three sides. Because of irregular boundaries, many fire stations are not located in the most efficient manner. The report indicates that a total of 11 fire stations throughout the County could probably be eliminated if a consolidated fire service existed. Moreover, it points out that frequently in these boundary areas, the closest station to a fire does not respond because it is not in the same jurisdiction as the location of the fire.

b. Mutual Aid

The report indicates that mutual aid agreements help in boundary line fires and also in large fires where a jurisdiction may call on a neighboring jurisdiction for help, but also points out that mutual aid falls short in several respects. Most jurisdictions will not come to the aid of another jurisdiction in a normal fire because State laws do not provide full immunity from liability to outside jurisdictions except in the case of large fires or disaster situations. Mutual aid fails to provide adequate response in some situations because some jurisdictions do not have sufficient equipment or manpower to safely dispatch their equipment to a neighboring jurisdiction. A third deficiency in mutual aid is lack of adequate coordination in fighting a fire due to the fact that neighboring jurisdictions do not operate on the same radio frequency and due to the fact that apparatus and fire fighting procedures are not uniform from jurisdiction to jurisdiction, and the commanding officer is often uncertain of what service he can count on from a company dispatched from another jurisdiction.

c. Payrolls and retirement.

The report indicates that inequities in pay, in total hours per week, and in retirement benefits, exist between jurisdictions and that these create dissatisfaction and turnover in the poorer paid jurisdictions.

- d. The report adds that fire prevention activities are generally inadequate in the smaller jurisdictions.

2. Analysis of Cost.

The report discusses at considerable length the cost of fire protection in each jurisdiction and draws two conclusions:

- a. That the larger jurisdictions have above average protection and
- b. That the County consolidated districts have above average protection and below average cost.

The cost data is computed from the 1956-57 budgets of the various jurisdictions. In making the cost estimates, it was recognized that the fire department budgets do not show the total cost to fire protection, and for that reason, an attempt was made to adjust these figures. Unfortunately, the adjustments made distort the picture more than they correct discrepancies. The reason for this is that a number of additional fire protection costs such as civil service charges, retirement contributions, hydrant installations, and fire station construction have been added to the cost of each jurisdiction where this information was known. When the information was not available, the report estimates the cost in some instances and in other instances, leaves it out. The result is that wherever good cost data was available, the cost figures are lower. The report further recognizes that cost figures are unreliable in some instances

by pointing out that jurisdictions such as Vernon or El Segundo have too low a cost per \$100 of assessed valuation, and too high a cost per capita because they are largely industrialized areas. Similarly, the report recognizes that the cost figures are too high for some municipalities because of an unusually high amount of building construction budgeted for the 1956-57 year. A correction to scale down the building construction costs is made, but this correction is very crude and does not provide an adequate comparison between cities on building costs. Considering the questionable nature of the cost data used, probably the best conclusion that can be drawn is that the cost of fire protection on either a per capita or an assessed valuation basis will vary considerably between jurisdictions.

Advantages of a Metropolitan Fire Department for Los Angeles County

1. Increased Fire Protection.

The report indicates that the most significant advantage of a consolidated fire department would be an increase in fire protection. This contention is largely based on the fact that response to fires would be made on the basis of the closest equipment to the location of the fire without regard to municipal boundary lines. Increased fire protection is also based on the fact that all of the resources in the county would be pooled to give added depth of response in any local situation. It is also assumed that if boundary lines were removed, some stations could be removed and relocated to provide for more effective service.

Comment

There is no doubt that most of the smaller jurisdictions in the county would receive better fire protection under these circumstances, and it is probably true also that in certain boundary areas of the city of Los Angeles, quicker initial response to fires would be possible. The larger jurisdictions, however, particularly the City of Los Angeles, would receive no added benefit in terms of depth except possibly in case of a major disaster affecting only the City of Los Angeles, where outlying areas could contribute added equipment and personnel.

2. Communications.

The present system of radio communications apparently is inadequate for inter-municipal fires in the metropolitan area. .

Comment

Undoubtedly, when fire apparatus respond to neighboring jurisdictions, some problem is created by lack of contact on radio, although the city of Los Angeles normally dispatches a Battalion Chief to any fire where mutual aid is given and radio communication can be handled through the Battalion Chief. If a central communications were possible with common radio frequencies, undoubtedly it would be possible to better coordinate mutual aid fire fighting activities.

3. Fire Prevention Activities

The report suggests that a standard fire prevention code for the entire County of Los Angeles would remove confusion

due to varying fire codes now in use, and suggests also that a more comprehensive program could be carried out if there were a specialization of employees in the technical aspects of fire prevention activities and if a large research unit were available.

Comment

In effect, the City of Los Angeles already has these advantages, but there would no doubt be advantages to the smaller communities in the county in a consolidated program.

4. Training.

The report indicates that some of the larger cities have good training facilities, but points out that a metropolitan fire department could give good training to all fire fighters in the county.

Comment

Again, this is an advantage primarily to the smaller jurisdictions. The City of Los Angeles, which accounts for nearly half of the fire fighters in the county, and the County of Los Angeles, which accounts for one-third of the remaining fire fighters, both have good training programs.

5. Reduced Cost of Fire Protection.

The report suggests that there would be savings in cost as a result of reduced personnel needs, large scale purchasing, and reduction in existing fire stations. The report selects 13 areas in which there are several stations in close proximity to each other in separate jurisdictions, and arrives at the conclusion that probably 11 stations could be eliminated with a

Consolidated Fire Department. Another source of saving indicated by the report is a reduction in fire insurance rates as a result of improved protection.

Comment

The reduction in fire stations suggested in the report appears to be a very real method of saving. However, the report indicates that many of the smaller jurisdictions are understaffed and also many jurisdictions pay lower wages and operate with inferior equipment. The cost to increase salaries, improve equipment, and bring the manning of stations up to the standards employed by the City of Los Angeles might well increase the cost considerably more than the savings to be achieved. Moreover, this report indicates there are areas in the county which are not adequately covered by stations, and it is possible that there are 11 or more stations that would be needed in various areas in the county to provide full coverage.

Improved fire protection could well lead to a reduction in fire insurance rates in many of the smaller jurisdictions. However, the City of Los Angeles, which already has a Class 1 fire department, would be unlikely to gain very much, if anything, on fire insurance rates as a result of the consolidation.

6. Personnel

The report indicates that the advantage to the people served by a metropolitan fire department would be efficiently trained men, more professionally adequate officers, and a higher grade recruit. The report also points out that there would be

advantages to the firemen in terms of higher salaries in the lower paid departments, as well as better working conditions and retirement provisions.

Comment

All of these advantages should accrue if the additional cost for higher pay, lower hours, better retirement, and additional training is provided.

Disadvantages of a Metropolitan Fire Department

The report lists several "possible disadvantages" that might result from a metropolitan fire department.

1. Local Autonomy

The report recognizes that many cities and public officials fear the loss of local autonomy that would result from a metropolitan operation. It points out, however, that this is not a realistic approach to the problem because of the fact that the Los Angeles area is a large metropolitan district in which a great many operations do not pay any attention to boundary lines.

Comment

This same argument would appear to apply quite logically to many other municipal services besides fire protection.

2. Apparent Added Cost of Fire Protection

The report states that instead of costing more because of salary adjustments, there should be a considerable savings to the taxpayer in smaller communities and that a more efficient department with better fire protection would be possible at the same or a reduced cost.

Comment

The report has made no attempt to compare the increased cost of higher salaries, better equipment, more manpower, with the savings to be achieved by elimination of certain stations. It is doubtful that any savings could be achieved by consolidation.

Problem Areas

The report lists the following areas in which problems exist, and there is a need for further study before any consolidation can be effected.

1. Retirement Systems

The main stumbling block to consolidation of fire services is the fact that there are several different retirement systems involved, and under existing law, no employee could be transferred to a new department and take from the retirement system the money contributed by the jurisdiction. There appears to be no way to correct this situation except by State legislation, and it is probable that any solution will be subject to considerable dispute.

2. Integration of Fire Chiefs

There are, according to the report, 198 chiefs in the County of Los Angeles at the time of the survey, and only 140 chiefs would be necessary to run the metropolitan fire department under National Board of Fire Underwriters standards.

3. Tax Basis

The report states another "factor that might require study is how to have a fair tax basis for the cities with

extremely high assessed valuation. Such cities as Vernon, Beverly Hills, El Segundo, and the unincorporated East Los Angeles area possibly should be treated in different manner than other areas in Los Angeles County".

Comment

The method of paying for a metropolitan fire department appears to be the thorniest problem that arises. To give special treatment to cities such as Vernon and Beverly Hills would raise a question of why certain areas within the City of Los Angeles itself should not also be given preferred treatment. A very vital concern to the taxpayers of the City of Los Angeles is who will pay for improved fire protection in other municipalities resulting from the consolidation.

4. Control over the Type of Fire Protection
Desired by the City

One of the problems raised is whether or not there will be any degree of control allowed the city in the type or quality of fire protection desired. (End of presentation.)

LANTERMAN: We will now hear from John Leach. Will you come up, John, and identify yourself?

JOHN LEACH, Assistant Chief Administrative Officer, County of Los Angeles: I'm John Leach, Assistant Chief Administrative Officer for the County of Los Angeles. I would like to take just a few moments to mention our progress to date in setting up this Metropolitan Area Government Study Commission which has been alluded to by both Charlie Peckenpaugh and Sam Leask. We have felt for some time that we should solve our problems. It

is recognized throughout the United States today that there is such a thing as a metropolitan problem, and I think the best thing about the recognition is that there is also recognition that something can be done about it - and things are being done about it. So, we thought it was high time in Los Angeles where we have probably the biggest metropolitan area, in terms of population, complexity, and so forth, that we should move ahead. I want to point out to the committee that we have moved ahead beginning formally as of December 3, 1957, when the Board of Supervisors approved this report recommending that some action be taken toward initiating a Los Angeles Metropolitan Area Government Study Commission in a joint cooperative deal with the cities in the county. I will file this report with the Committee. (See Appendix)

The most significant thing about that report, I think, is the approach that it presents, and that's a joint approach between all the cities and the county. One of the most amazing things to me is that today we are proceeding forward on the basis of that report on a complete 100 percent common agreement basis with all of the 61 cities in the county. Therefore, I would state that we have reached a point of understanding and agreement that I wish we could have achieved several years ago. And so today, Leach feels good; peace is in my heart and good will toward men!

Now, to get on with that report. We have moved forward with it to the point where Sam Leask told you. We now

have a temporary organization committee of 17 members named, and a tentative meeting date of March 19 has been set up for the first meeting of that group. Their purpose will be to blueprint and activate a program to go forward in establishing a prominent lay citizens committee. I want to add here with respect to the comment made to the effect that we have had a lot of committees - Mr. Johnson, I think you referred to that - but we have never had in this area, to my knowledge, a commission established in the manner that this one is being established, to survey the overall scope of the problem.

JOHNSON: Don't misunderstand me on your commission; I think it is wonderful.

LEACH: Oh, I'm sure you do.

JOHNSON: But I have seen, for over 38 years, commission after commission, and I know what has happened to them. I would prefer giving your committee strength over all of them and that is what I am getting at.

LEACH: I believe that we all feel good about it, and when we have a meeting with the board of directors of the League of Cities and Charlie Peckenpaugh here, and hear the representatives of each city get up and support the idea of going forward with this, it is something really grand. It points out the realization that we have all arrived at the point where we know that we should review and inventory the problem, and that we are willing to do it together. Nobody is talking in terms of what the answer will be, but we all realize that no one is in a position to refuse to find the facts and to look at them.

We also realize this - and I think this is important with your committee because you are members of the State Assembly - we want to solve this problem ourselves.

Now, if in this Los Angeles area, the elected officials of the City and the County did nothing, they would create a vacuum which would give you or someone else the right to come in and force something on us - and rightly so - but we don't want to wait for that prospect because we don't think that is the proper way to do it. We should get together and solve our own problems, and that way it should be - the results should be - more satisfactory to us.

At this time there is nothing that I think we should ask this committee to do for us. We don't know yet. Undoubtedly, if we proceed as we hope we will and get to the end result here, there may be items where we will have to go to Sacramento for legislative help, and that is when you can assist us; but I thought you would be glad to know that we are trying to solve our own problems.

LANTERMAN: Could you keep us informed of such progress material as you have, and put the members of the subcommittee on your mailing list? Is that possible?

LEACH: That would be fine, Mr. Lanterman.

BRADLEY: Send it to our secretary.

LEACH: I would like to present these minutes of February 6 right now.

LANTERMAN: Send those to the secretary and she can keep us informed. May I make this inquiry also? I notice that

you have five members from the Board of Supervisors, five members from the League, representing all of the outside cities, and five members from the City of Los Angeles. How are the five members from the area outside of the city selected? Is that done by the League in its own action?

LEACH: Yes, the boards of directors of the League selected five representatives.

LANTERMAN: And the Board of Supervisors presumably then will speak for the unincorporated territories, or are we planning on having any representation there?

LEACH: You mean, can they speak for the unincorporated areas? Sure, or they can speak for whole communities.

LANTERMAN: But there will be no direct representation in the unincorporated territory because it is not an agency of government, is that it?

LEACH: Well, at this point, this is just a temporary organization committee of elected officials primarily to ~~gt~~ together and work out jointly how we want to go about setting up a Metropolitan Area Government Study Commission.

LANTERMAN: I would think, Mr. Leach, that it would be appropriate to remember that there are a million and a half people, approximately, in the unincorporated territories who should have some kind of recognition on your overall commission.

LEACH: Oh, absolutely.

LANTERMAN: Now, is there any commentary that has been brought to you relating to the fire situation. Of course, our

study was only for the purpose of provoking discussion, so to speak, concerning conflicts of opinion relating to it. We will coordinate and polish that material and put it into another report, and we are assured by the League of Cities that they will present their opinion as to an alternative procedure to the one recommended by this report. In any event, it was brought out this morning that in proceeding toward a metropolitan type of concept, it would be retrogression to destroy those things we now already have that are metropolitan in nature. I spoke in direct reference to the Consolidated Fire Department as one of those agencies, and that we should look with considerable care upon any practice or any process that might tend to decimate this organization to the point where it would be less than useful when we get to the point where we will need it intact.

Is there any comment from the Administrative Office in that deduction?

LEACH: No, I don't believe we have a comment on that -- the fire department report or any other. I think that the information is very valuable, and I think we should have both sides of the question, if there are two sides - and of course there always are. So, let's get them in the record so they can be studied, as Sam Leask said. It is very good information for any kind of a group to study all activities on an overall basis. I think when you talk about single services, you are talking about fly specks on the wall, when actually there is a bigger, more fundamental thing to be looked at in this area. I am glad, frankly, that we are moving in on the big aspect.

LANTERMAN: Well, by the big aspect, you mean political consolidation, functional consolidation - a little of each, or what?

LEACH: I mean the whole thing, yes. The adequacy of the governmental structure in this metropolitan area to provide the services that are necessary.

LANTERMAN: Was I correct in the statement that I made concerning the charges on the contract services that there was a partial administrative charge as to top level county administrators, as well as the departmental related charge.

LEACH: You were right.

LANTERMAN: And then there is no question that there is a subsidy involved in any respect relating to a contract service, so far as you know?

LEACH: As far as I know, but like Norman Ream said - and he isn't here now - accountants can differ; but Mr. Will will be able to comment on that. We are trying to work out that problem now.

LANTERMAN: Fine. Any questions by committee? If not, Mr. Will, you're next. Thank you very much, John.

ARTHUR G. WILL, County-City Coordinator of Los Angeles County: Mr. Chairman, I am Arthur G. Will . . .

LANTERMAN: No "Junior" necessary?

WILL: No Junior necessary. I am the County-City Coordinator of Los Angeles County. There is Arthur Will, Jr. in Los Angeles and Arthur Will III in the State Capitol, as you know.

LANTERMAN: And no matter how thin you slice it, it is still Art!

WILL: Mr. Chairman, it is getting quite late so I will make my remarks very brief. I have some material here on some of the details and the specific coverage of the contract services plan, often referred to as the Lakewood Plan. I would like to discuss the present status of the contract plan for a very few minutes, and some of the things that we are going to do in the future. I think you have heard testimony for the last two days certainly that will cover much of the background that I could give. I don't think I need to cover that again.

At the present time the County of Los Angeles offers through 794 contracts, 41 services to the 61 cities in the County of Los Angeles. These range from 2 or 3 contracts in some cities to as many as 30 in some of the newer cities. This has been done in some of these services since the 1920's. Health service, which began in 1922, is one example. The so-called Lakewood Plan contracts, offered since April of 1954, account for perhaps less than 100 of this number; so this program is not at all new - it is not at all unique to Los Angeles County. The program which has been established since 1954, representing somewhat of a departure in the offer of new services, is not as unique as it may be thought. I would like to file with the committee copies of the tabulation of these services showing the cities that contract with the County and the services they are contracting for.

In addition, there is a description of the major services provided to the cities and the basis on which costs are charged, the County Departments which offer them, and what is involved in each of the services. (See Appendix) Now this is a rather long list of services, and I don't think that it is necessary at this meeting to discuss any of them in detail unless the committee is especially interested. As a general policy, in establishing the costs for these - you have heard two or three of these statements made today and yesterday - the County has adopted a policy of recovering all costs expended in providing services, not only to these new cities but to many of the older cities. The cost basis established by the Auditor-Controller Department, which employs a large number of very professional accountants, and several C.P.A.'s, includes not only all direct costs but all indirect costs, such as general overhead, County Counsel, Civil Service Commission, Board of Supervisors, salaries of the people in my office, myself, all retirement, workmens compensation insurance costs, vehicle rental, depreciation, building inspectors, and what have you. Every attempt is made in establishing the costs that are charged for these services to insure that the full cost to the County of providing the service is recovered. There are certain services, of course, which have statutory limitations, such as the assessment and collection of taxes, where the charge is \$250 for the first \$25,000 collected, and a quarter of one percent for the balance. The health service which has been provided by the county for

many many years to most of the cities at no charge other than the general county tax rate, as established by state law. So, there are certain of these services which traditionally, and from a statutory standpoint, have had different bases than actual cost.

Now, Mr. Johnson has talked about a number of study committees, and I must admit that we have a couple of extra committees involved in this particular field. Before the Metropolitan Area Study Commission was proposed, the League of California Cities, Los Angeles County Division, appointed a committee specifically for the study of the contract services plan. This was brought about by the great interest which many of the cities have shown in this program, and specifically, by comments which were made by several people who have appeared here in the last two days. Many people were greatly interested in this; they found that there was very little information of an authoritative nature in the comparison of costs from city to city, and so the League, with our full cooperation, have entered into this study. Now, whether this committee will continue in its present form or will continue under the Metropolitan Area Study Commission, I can't tell you at this time. What I will say is that if we are going to keep faith with the League of California Cities and pursue the study of this program, that conclusions as to the philosophy of the contract services plan as to costs at this present time, I think, are premature on our part. We don't want to make any statements, either before this committee or before any other group, at the present time,

to foreclose any avenues of inquiry of this group or to indicate to them in any way that our minds are made up, regardless of the type of study the committee would wish to undertake. Whether the League Committee continues its operation, or consolidates with the Metropolitan Area Study Commission, we think that this is where the really productive area lies, and we are going to work with these people with everything that we can possibly do.

In addition to this, the County Grand Jury has been asked to review the matter of costs, and our own staff has a built-in annual review program on all of these contracts. The staff review is not only from the standpoint of costs, but from the standpoint of the practicality of offering the services, whether we should continue to offer certain of these services, whether they should be modified, whether they should be eliminated, or what have you. So, from the standpoint of our office, we will be glad to answer any questions that the committee may have. We feel that here again we have great hopes for the work that has been started by both the League of California Cities, the City of Los Angeles, and ourselves; and it would be somewhat premature to arrive at any conclusions right now. I think that the work your committee is doing at the present time and what it can do in the future will be most helpful; but rather than lay our problems in your lap, asking that you conduct inquiries and give us our conclusions, we feel that we can do this job here. We have a responsibility to

go much further than we have gone, and we hope we will be able to present you with a realistic tangible program and ask for legislation to effect it.

LANTERMAN: Mr. Will, I wonder if it would be possible for your department to give this committee an estimate as to what financial impact would occur if Assembly Bill 1156 of the 1957 session, which was sent back to committee by action of myself, Mr. Bradley, and others, because of its controversial nature, had been enacted into law. In other words, what would happen to the cost of health protection in the County of Los Angeles, particularly, if the five cities that now provide their own health service, but at the same time contribute to the county general fund which entitles them to the State provisions of health enforcement, no longer made this contribution? Could you prepare such a financial estimate as to the changes that would occur relating to the tax rate for the various health departments, and what would happen to the operating methods of the County Health Department?

WILL: Yes, we can prepare this information.

LANTERMAN: If you will prepare that for us and see that we have that information with the relative material connected with it, I think it would serve a very great benefit.

This forenoon we were asked some questions relating to the contract charges which you have mentioned. Is it possible that your auditor has used an arbitrary or empirical method of arriving at appropriate key charges with a sliding scale which

has been determined. Is there any means by which we could attach validity to those figures without impugning that there might be an area of error contained relating to those city inquiries, that there may be hidden subsidies involved.

WILL: Certainly, wherever human effort is involved there is area for error. However, there is no mystery to our program. There are no secrets. All of our financial records, as well as all of our other records, are open. To the best of our knowledge, and with the best technical personnel that we can employ at the present time, utilizing all of the costs that are reported - according to law, as a government agency we must report all of our expenditures - we don't feel that there is any subsidy involved in any of the charges which we have established here, at least where we had the legal authority to establish the charge. Now, where there is a statutory limitation, this is something that we can't control. There are certain services where we have assumed that on the basis of experience, fees charged for the service to those people benefited, such as building permits, dog license for the offering of pound services

LANTERMAN: Pardon this interruption, but have the building permits, for instance, usually provided a margin of profit to the Department? In the study of 1952-53, as I recall, there was a margin of profit for the Department of nearly \$600,000 which then reverted to the general fund.

WILL: It works both ways, insofar as the city services are concerned. We have built into these contracts that

where the fees are in excess of the operating cost of what we will charge the city, that we will remit to the city that balance; but where the fees do not cover the cost, then we bill the city for that difference. . .

LANTERMAN: Let me carry that further, does that also prevail then on a balance sheet to the people in the unincorporated territory where you render a service at a profit - does that accumulate to the benefit of those people as an offset in the cost of the other services rendered them?

WILL: I would say that it would benefit them in the same way.

LANTERMAN: Is there any question then relating to the League's study as to how they will arrive at these figures? They will be checking your ratios and charges, I presume, and can we have the benefit of their findings as they are reported to you, or will that have to come from the League?

WILL: Well, if the League is preparing the study, of course, we can't tell them

LANTERMAN: It will not be a public document because the League is not a public organization.

WILL: No.

LANTERMAN: It is ostensibly, but I meant we are not entitled to it and I wondered if it would be available. I am sure they would give it to us.

WILL: Yes, I'm sure they would. We have cordial working relations with both the League staff and officers, but

we will take issue with them certainly on any technical point where we think they have misinterpreted our records, or perhaps where they are working on it a little bit differently from us.

LANTERMAN: I think the full and complete study of this matter will lay to one side forever, we hope, the illusion that this is a form of subsidy to those cities paying their share, just the same as it is for district charges leveled to a county area for purposes of rendering that service.

WILL: Well, of course, this is one of the basic things in our offering of these services, and we have not been at all careless about this; our County Counsel has indicated to us, upon full and repeated review of all of this data, that in his opinion these costs are recovered and that there is no gift of public funds.

LANTERMAN: Have you a compilation of those portions of the statutes that do not permit you to make a charge where there might be an area of criticism of that element?

WILL: Well, specifically, assessment and tax collection is what I can think of at the present time. We have made no compilation of this, but we could certainly do so.

LANTERMAN: I think that it was brought up before us in the Legislature that some of the comparative charges were not paying the way under the statutory provisions.

Are there any questions by members of the committee?

BRADLEY: Just one, Mr. Chairman, to allay any fears that you may have. You indicated that you hoped the Legislature would leave this Metropolitan Area Study Commission alone, and

let it arrive at its own conclusions. I would seriously question that the Legislature is interested in trying to dictate to local government on anything along this line. The thing that we might do is provide permissive legislation; but at this point, in view of the nationwide, as well as the statewide, interest in metropolitan area government, we are primarily concerned with keeping abreast of these studies. We have been to Sacramento to study their plan, and we have gotten information on the Miami and Toronto Plans, the London Plan, and various other types of plans and studies, in order that as a committee of the Legislature, the Legislature itself may be as well informed as possible. At some subsequent time - maybe a year or two years from now - when your Commission has come forward with a plan, we will come down and hold a public hearing on that so that we may have the full information and background and thinking on the proposal that has been made. That is all important because, as you indicated yourself, the time will probably come when the Legislature will be asked to introduce legislation to facilitate some plan, or series of plans, along this line; and the better informed we are, why the better and easier it will be to arrive at the type of legislation that you may be interested in.

WILL: I agree very definitely with you, Mr. Bradley. If there has been any misunderstanding, certainly my comments were not meant to leave us alone and stay out of here, because we want you to keep up with it, and we want you very definitely

to know what we are doing. My main point was that we personally here in the Los Angeles basin have a responsibility, and we have the resources to do it, we can do it, and we have the desire to do it. I think that we could make great progress during the next year, or year and a half; and we certainly hope that members of the committee, or committee counsel, will visit us frequently.

BRADLEY: And we wish you success in your studies.

LANTERMAN: Mr. Will, before you go, it has been suggested that it was possible that the discussion on the consolidated fire proposal, that we published as a study, was premature at this time in view of the studies to be made. I think that what we have to keep in mind is that the Legislature uses these devices to keep these matters before us, to collate and connect all the material that's relative to it, bring it together, and if legislation is needed, to propose it. But the point is, nothing is premature from the standpoint of investigation, discussion, comparison, and factual information. All of that pertains to our responsibility at the State level, and should be, in my opinion, thoroughly understood by all agencies of local government. There is no political maneuvering by this committee, or any committee of the Legislature, connected with this facet of local government to try to impel, or impose upon, local government any premature consideration. Actually, what we are doing is to make full disclosure so that there can be no premature conclusions arrived at, and so that the studies that

will be made by local government, or combinations of groups of local government agencies, can be fully informed by the materials we have been able to secure from all over the State.

WILL: We understand your position, Mr. Chairman.

LANTERMAN: Thank you very much for your appearance, and we are very grateful for your cooperation.

WILL: Thank you.

LANTERMAN: Is there anyone who wishes to make any statement connected with this? Mr. Harry Petrie? Los Angeles County Civil Service Commission.

HARRY P. PETRIE, Secretary and Chief Examiner, Civil Service Commission, County of Los Angeles: I submitted my statement in writing, and in the lateness of the hours, perhaps you would just like to have that presentation and ask me any questions you might have.

LANTERMAN: Well, rather than read the document, we can enter that into the record very easily, and if there are any highlights in connection with what we have mentioned, perhaps you could volunteer to add a few things for the purpose of expediting the record.

PETRIE: Very well, Mr. Chairman, I sent this up to your Mr. Farrell early in the week so you have the original in Sacramento, and I have copies here for your committee. It has to do only with personnel.

I am the Personnel Director of Los Angeles County. I have had 30 years of personnel experience and I am only covering the personnel phase of the problem, from my personnel

experience. They are my personal opinions, and not those, naturally, of the Commission or the Board of Supervisors. As you know, under the State Enabling Act the County has been performing personnel services for as high as 18 contract cities. At the moment we have 12 cities, such as Burbank, Bell, Lynwood, Maywood, Palos Verdes Estates, Signal Hill, San Fernando, and others, where we do the recruitment examining, classification and personnel work covering the fire department, police department, and all other personnel of those cities.

LANTERMAN: Has the number of cities dropped off recently or has it been gradual, and has there been reason for the dropping off of contracts?

PETRIE: Some of them have gone with your State Personnel Board, and others have gone to private contracting firms like Kroeger and Associates, whom I know you are familiar with. The fourteen remaining, however, are not large enough to do their own work, and that's the point that we are talking to in this four or five page report. It is our considered opinion that in classifying the positions, an agency that has a going shop - established personnel technicians - can use this experience, the techniques, and personnel to bring about a complete classification job for a small organization or the larger organizations, such as we are looking to in the consolidation of functions. We feel that one agency doing the classification of positions and getting them in line as to titles, assignments, responsibilities, would be more effective and efficient.

The recruitment of personnel I think is our best point. As it is now, we are recruiting and examining for 13 agencies - the County and 12 cities. Now, a further stretch of the imagination would be that we would examine one candidate 13 different times for those 13 agencies. We do quite frequently examine one individual as many as two, three, four, five, or six times, as those examinations come along for the various cities. Of course the State Personnel Board is examining for other cities and Mr. Kroeger is probably examining for still others.

The placement, as a result of this examination, we feel can be better handled on a countywide basis. We have problems with our placement geographically - transportation and all the other problems here - of finding a fire station closer to the man's home, or his abilities in a larger organization, are more versatile than in the smaller organization where he has not much latitude for the Chief or the Administrative Officer in charge to place him.

Then of course on training and development, which we do, we think a training program can be handled more effectively by a larger agency. Through our central personnel agency we set up training standards, approve curricula, etc. Our agency is the organization that tells the Board of Supervisors whether it is good or not to have such training on the County's or the individual's time. Then, of course, as the man goes through promotional levels, we use and employ all of our techniques for employee development, which can be handled by a larger

agency, but is unheard of in the smaller jurisdiction. We know that personnel administration per se, in the smaller organizations, is just an added function, and to their way of thinking is not a major responsibility. We think an organization with 180 to 200 people on the staff, and close to 100 technicians, with a commission over those technicians, can certainly administer personnel much more effectively. So, in substance, we are saying that we feel that so far as the practicality of the situation is concerned, and so far as the efficiency, effectiveness, and the cost, that a larger or consolidated system could be handled by one central personnel agency that is equipped such as ours might be after 44 years in business.

LANTERMAN: In other words, as far as the fire proposal is concerned, relating to personnel, those are your conclusions as an individual based on your experience.

PETRIE: You are absolutely right.

LANTERMAN: Now then, you mentioned that in dealing with these many agencies there is a competitive area of duplication - competitive bidding for these people - that could be resolved with better placement all the way around.

PETRIE: And one salary structure, of course. One classification structure, one salary structure, where we are not proselyting and

LANTERMAN: Well, there is no assurance there that the salary structure wouldn't be considerably higher than some that are now being paid by some of the cities.

PETRIE: Probably.

LANTERMAN: Therefore, there would be no saving in that respect.

PETRIE: No, not savings - I'm just saying that by reason of the fact that the salaries would be the same, there wouldn't be this . . .

LANTERMAN: There wouldn't be the costly competition between cities for employees . . .

PETRIE: Yes.

LANTERMAN: Are there any questions? Thank you very much for your presentation. We will add it to the record. And thank you for your courtesy in appearing before us.

PETRIE: You are quite welcome.

(Mr. Petrie's presentation follows.)

Statement to the Sub-Committee on Functional Consolidation
Assembly Interim Committee on Municipal and County Government

Personnel Considerations Related to Special Report
Volume 6, Number 6, on Fire Services in Los Angeles County

Harry P. Petrie, Secretary and Chief Examiner,
Civil Service Commission, County of Los Angeles

This report must be considered as reflecting only my personal opinions related to the subject report and not necessarily the official views or policies of the County Civil Service Commission, or of the Board of Supervisors.

Since I have had very little time available to review and analyze the subject report and no time in which to conduct

the necessary thorough study and evaluation of the entire problem from a personnel standpoint, my remarks must, of necessity, reflect only general opinions and impressions based on related past experience in the personnel field.

General Conclusions

1. From an over-all personnel standpoint it appears that the advantages of having a consolidated metropolitan fire department under a single administrative authority far out-weigh any disadvantages which might be incurred. Any disadvantages which might exist probably lie outside the area of personnel.
2. The method of establishing such a consolidated department which would seem to be the most appropriate is through County operation by a regular County department with all employees in the classified service of the County.

Personnel Considerations

Classification of Positions

The appropriate classification of all fire protection positions in the area would be greatly facilitated if all positions were in a single department and were being classified by one central agency. The standardization of assignments would improve the accuracy and equality of evaluations of positions which in turn would lead to more appropriate and equitable salary scales.

Under present conditions in this area the titles, assignments, and responsibilities of the various levels of fire protection positions vary greatly from one jurisdiction to another and the variety of policies and techniques used in classifying the positions prevents

achieving the greatly needed uniformity and equity. Placing all fire protection positions in one agency would also facilitate the planning of classification studies and the periodic reviews of positions that are essential for keeping a classification system up-to-date. Such planning is possible now only in the larger agencies. It is also true that most smaller departments cannot afford comprehensive classification surveys so must try to operate as well as possible without adequate class descriptions and specifications. There appear to be no serious disadvantages resulting from consolidation from a classification point-of-view.

Recruitment of Personnel

Probably the greatest area of competition among the nearly 50 fire departments now in the Los Angeles area is in the recruiting of personnel. Each agency recruits separately for the better personnel that are available in the limited labor market. Each agency expends a considerable amount of funds and staff time in repeated recruitment efforts in trying to attract the new recruit or the experienced fireman from the other agencies. The total savings in funds and time would be very great if there were but one large fire department recruiting in this area. The recruitment effort could be much better planned and executed since needs would be known well in advance and publicity could be directed according to those needs. Recruitment efforts would need to stress the advantages of being a member of a large organization. There is no doubt that consolidation of fire departments would greatly benefit the recruiting of personnel. With uniformly appropriate salaries that could be achieved with a consolidated department, much better

qualified personnel could be attracted to enter the fire protection service.

Examining of Personnel

Even greater savings in public funds and staff time could be attained through the examining of all fire protection personnel by one agency. We know from our experience of examining for the County, the fire protection districts, and for several cities throughout the County, that most of the applicants for fireman positions are examined by more than one agency and many by six, seven, or even more agencies. It can be seen that this results in a great expenditure of funds and staff time in developing tests, administering examinations, interviewing, scoring tests, and calculating grades. There now exists a very wasteful duplication of functions among public agencies in the examining of fire protection personnel which could be eliminated through the establishment of a single department served by a central personnel agency. The number of examinations could be reduced to the very minimum and concurrent administration of the same examination could be arranged in many locations throughout the County. This would enable an applicant to apply and be examined only once and be eligible for appointment anywhere in the County. This fact alone would be a great aid in recruiting better personnel. The standards and quality of content of examinations could be raised and the validity of results made more certain with the greater numbers of candidates and more uniform testing devices. The costs of examining per employee could no doubt be substantially reduced on a countywide basis.

Placement of Personnel

The basic purpose of all public personnel activities is to achieve the most effective development and utilization of the available personnel in order to provide the services which are required by the public. Under present conditions in this area the utilization of personnel available for fire protection services is extremely haphazard and greatly influenced by chance alone. There is no over-all system of analysis of personnel needs in the field of fire protection and very little prospect of developing such a system unless a single consolidated department is established. With the present lack of systematic approach, the chances of the potentially good fireman being found, selected and utilized, are remote. The typical applicant for fire service will probably appear on the eligible lists of several different agencies at about the same time and he may be appointed with no evaluation as to where his potential can be best developed and utilized. More effective placement and greater utilization of each man's potential abilities can be achieved through centralization of the placement function.

Training and Development of Personnel

It is, of course, obvious that the comprehensive training and development of fire protection personnel is an integral part and inescapable responsibility of a fire department. Nearly all recruits come to a department with little or no previous training or experience, and these same recruits must eventually provide the department with technical experts, tactical leaders, administrators and executives. This can be done only with adequate training and

related employee development programs. Experience has shown that only the larger departments can provide sufficient time, funds and personnel to plan and conduct fully adequate personnel development programs. It is only when such programs can be conducted on a group basis that they become economically practicable. In addition to the recruit training, a consolidated department would be able to place more emphasis on advanced tactical training, supervision, inspection, and administration programs. The larger the fire department, the more practicable it is to have a realistic and meaningful performance evaluation system for employee rating and promotional purposes. Many fire departments are too small to be able to develop and establish reliable performance standards and as a result, a rating system is non-existent, or if in operation, it is seldom meaningful.

Considering again the effective development and utilization of personnel as a primary objective, it can be seen that a large department with its training facilities and variety of assignments has much greater possibilities in the full utilization of potential abilities. Standards of performance of personnel could be raised considerably over the general standards now used.

Departmental Administration of Personnel

In the actual administration of personnel affairs within a fire department, experience has shown that only in the larger departments is it practicable to have a technically competent personnel staff to analyze personnel needs and conduct programs to meet those needs. In the smaller department, personnel matters are only incidental assignments of persons who have other major responsibilities.

Of most vital importance is the need to maintain high morale among the staff and this requires a comprehensive personnel program. One of the most serious problems facing most fire departments and especially the smaller departments is the turnover in personnel. The employees in the smaller departments are continually moving to larger departments for increased pay and for better opportunities for advancement. This places an even more serious strain on the training capacity of the smaller departments. Carefully worked out training and rotation programs in a consolidated department would help greatly in providing variety in assignments and in developing resources for promotion. The establishment of one department would enable the development of uniform personnel practices throughout the area covering such aspects as hours, leaves, discipline, pay, and fringe benefits. Although there are not now any specific cost studies available, it is quite certain that a substantial savings could be realized in over-all expenditures necessary for the administration of personnel activities in a consolidated system. From almost every aspect of good personnel administration, the advantages indicate the desirability of a consolidated department.

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LANTERMAN: If there is no one else who wishes to testify before the committee, this will conclude the hearing of the Subcommittee on Functional Consolidation. The meeting is adjourned.

(Adjournment and Conclusion of Hearings at 5:50 p.m. Feb.28, 1958)

A P P E N D I X

RECOMMENDATIONS FOR INITIATING A LOS ANGELES
METROPOLITAN AREA GOVERNMENT STUDY COMMISSION

See attached adenda for

SERVICES PROVIDED BY THE COUNTY OF LOS ANGELES TO
CITIES IN LOS ANGELES COUNTY

and

THE LAKEWOOD PLAN

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS
502 Hall of Records
Los Angeles 12
Mutual 9211

November 27, 1957

Honorable Board of Supervisors
County of Los Angeles
501 Hall of Records

Gentlemen:

SUBJECT: RECOMMENDATIONS FOR INITIATING A LOS ANGELES
METROPOLITAN AREA GOVERNMENT STUDY COMMISSION

On February 5, 1957, the Board of Supervisors referred the problem of city-county relations and the general problem of the metropolitan government complex in this area to Supervisor Warren M. Dorn, Chairman of the City-County Affairs Committee, Board Chairman John Anson Ford, County Counsel, and the Chief Administrative Officer--as a committee to report back to the Board of Supervisors at a future date.

This committee, representatives of certain Supervisors' offices (all were invited), Dr. Henry Reining of U.S.C., and Dr. Winston Crouch of U.C.L.A., convened at the request of Supervisor Dorn on Monday, November 25, to consider the attached report. This report is now submitted to your Board for consideration.

The primary purpose of the attached report is to indicate the significance of reviewing the complex maze of governmental structure in the Los Angeles Metropolitan Area. It proposes the need for the formation of a topflight and representative citizens commission to spearhead a study of the problem and recommend solutions thereto. It further outlines in detail a specific course of action to be followed for activation of such a commission.

Obviously this report indicates no solutions, but it is the opinion of the committee to which this matter was referred that the Board of Supervisors, constituting as it does the only body of elected officials representing all residents of this County, would be negligent in its duty if it did not focus attention on the problem and suggest that something be done.

Honorable Board of Supervisors
Page 2

Recognizing as we all do the very legitimate interests of all political jurisdictions existing within Los Angeles County, the recommended course of action to activate such a study commission both sincerely and purposefully calls for the joint cooperation, meeting of the minds, and agreement of our various city and County elected governing bodies prior to organization and formation of the study commission itself. We feel confident the proposed step by step action to activate this effort is fully reflective of this concern.

The committee further noted that literally dozens of metropolitan government study commissions are active throughout the United States at this very time--most of them in areas neither as vast, as complex, or as populated as our own local urbanized region. There can be no question of the need to review and study our own problems. There can be a difference of opinion as to methodology in approaching a study of the problem, but our recommended approach has attempted to be realistic and we think politically acceptable.

Yours very truly,

ARTHUR J. WILL
Chief Administrative Officer

AJW
JRL:bb

cc: Each Supervisor
County Counsel
Dr. Henry Reining
Dr. Winston Crouch

COUNTY OF LOS ANGELES
BOARD OF SUPERVISORS
502 Hall of Records
Los Angeles 12
Mutual 9211

November 25, 1957

Honorable Board of Supervisors
County of Los Angeles
501 Hall of Records

Subject: STUDY OF METROPOLITAN AREA GOVERNMENT
FOR LOS ANGELES

Gentlemen:

Pursuant to the order of your Board of February 5, 1957, the following is a recommended approach to the study of government of Los Angeles metropolitan area.

Background

The phenomenal growth of the Los Angeles Basin over the past 50 years has brought into sharp focus, on many occasions, the problem of metropolitan area government. Vast increases in population and economic activities have become such an inherent characteristic of Los Angeles that the great majority of our residents have no conception of the full impact which this growth has had on local government. Our legal forms of local government have not kept pace with the urbanization which has taken place here, and which has been compounded with a substantial change in habits and demands by the public on local government services. Many studies have been conducted on this subject both by private and public agencies, covering individual services as well as the whole picture of local government. A few studies have resulted, in certain instances, in

minor changes and revisions to existing forms of government, such as creation and use of certain special service districts, the offices of the Chief Administrative Officer in the County of Los Angeles, City of Los Angeles, as well as several other cities in the area, and the establishment of certain contractual and cooperative arrangements among the various local jurisdictions. No direct action has been taken, however, on an area-wide basis covering the full group of services provided by the several jurisdictions to the public. Consequently, we find ourselves in a position of attempting to govern one metropolitan community composed of over 5,000,000 people through 60 separate cities and almost 600 independent special service districts. Substantial progress has been made by many of these agencies through the establishment of a complicated maze of mutual aid agreements, contracts, and informal negotiations to avoid overlapping of government services. While this overlapping has been reduced considerably, it nevertheless constitutes a critical problem. This duplication of services and the rapid increase of the total cost of government to the individual taxpayer goes unchecked.

With the Los Angeles area well on its way toward becoming one of the two major economic centers in this country, and with an expectation of almost 10,000,000 population in this county within the next 15 years, legislative bodies of local government agencies would be extremely negligent if they did not attempt to foresee this problem and take some action to do something about it.

The Problem

By far, the greatest problem in overcoming the government dilemma of a metropolitan area is the reconciliation of necessity for area-wide authority and responsibility for those services best performed on an area-wide basis, with the traditional forms of local home rule and self-determination. How can we secure a jurisdictional entity governing the entire metropolitan area of Los Angeles without destroying traditional local government representing the interest and welfare of the citizens in areas smaller than the metropolitan community?

Many attempts have been made to bridge this gap with limited or little success in the State of California. Incorporation, annexation, functional consolidation and creation of metropolitan special districts have been among the most commonly used devices. Actual practice has shown that certain problems may be alleviated by the use of the above but the overall problem is still far from solved. Certain work has been done in other parts of the country which gives us hope that this problem can be solved and above all, that the general public can be made aware of the need and have a willingness to accept whatever changes are necessary in the accomplishment of this goal. Los Angeles represents a unique situation in both area, population, and the number of local jurisdictions which must be reconciled to the interest and welfare of the greater metropolitan area.

A second major problem which must form a frame of reference on this subject is that metropolitan area government of whatever form will probably never prove equally satisfactory to all of those affected.

Any plan must have tangible benefit to offer the majority of the general public and, above all, it must make sense to those who may not be directly affected by it, as well as those who may be unalterably opposed. The problem to be faced squarely then is that of formulation of a plan which will serve the total interest of the community rather than one which may be tailored to the specialized or selfish interest of certain individuals or groups.

In order to provide for the most systematic and comprehensive approach to our problem, the following is recommended as the most practical plan of action. In arriving at the following recommendations, considerable study has been undertaken of the many attempts made not only here in Los Angeles, but in many other parts of the country, to determine the best and the most successful factors in each of the studies or projects.

You will note that the leadership, the technical staff operation, as well as the installation phase of the program, do not contemplate the leading role to be played by either the Board of Supervisors, the various city councils, or any single community group or organization. The reason for this, I feel, is obvious, and is one that we have discovered to be of prime importance in our review of these programs nationwide. Neither the County, the City of Los Angeles, or other cities as a group, can exercise major direction without building up public resistance such as to completely nullify the total effort. We are all aware of the fact that the various public agencies in this area have become identified with their particular programs and vested interests, and it naturally follows that these programs and interests form a

background against which actions of these agencies are judged. In order to avoid any possibility, therefore, of a feeling on the part of the community that this is a "county program", "city program" or other specialized interest undertaking, we are recommending very definitely that the County bring this subject initially to the attention of the public but thereafter accept a position of being represented only in equitable proportion to other public agencies on the policy or steering body.

Organization and Program for Study of the Government of the Los Angeles Metropolitan Area

A. Scope and Purpose

The purpose of the study will be to synthesize all significant studies and materials prepared to date on metropolitan area government in Los Angeles County, and undertake a comprehensive study aimed at solutions to the problems created by the multiplicity of independent jurisdictions attempting to give municipal type service in this area. Results of the study will be a report with definite recommendations on action to be taken and will include all details, such as necessary legislation, type of organization, methods of reconciling the many functions of the County, cities, and special districts within the area to the organization recommended, fiscal problems and transfers of property involved, and all other items necessary to execute the recommended form of government.

B. Organization

1. Direction and Supervision

One characteristic of past work in this field in Los Angeles has been that direction and supervision of such projects

have either been totally from an academic standpoint or from the standpoint of particular interest groups or agencies. On only few occasions has such work been directed by a group purporting to represent the entire community. It is therefore recommended that the direction of this study be accomplished by a community-wide committee which would represent the major industrial, commercial, residential, and public agency interests in the area. In order that this policy committee enjoy maximum prestige and public acceptance, membership should be limited to only those citizens and groups which have demonstrated outstanding leadership and interest in local government affairs.

2. Participation by special interest groups

In order to provide for full participation by all those interested in the project, advisory committees to the Metropolitan Study Commission--to be appointed by the Commission--should be established to include service specialties such as recreation and parks, libraries, public safety, public health, public works and utilities, and public finance. Membership on the advisory committees should be carefully balanced between lay citizens and technicians or specialists in the particular service. There is a very real danger in use of technical committees if dominated by specialists in a particular field. Therefore, while there should be a sufficient number of specialists to give the committee the benefit of technical information and the specialist point of view, there should be also sufficient lay membership so that discussions of

a technical committee may be conducted within the context of the overall problem. Otherwise, the Commission will be subjected to a series of technical reports which are simply pleas for the importance of particular functions and vested interests. The Commission would be faced with a grave difficulty in reconciling the technical recommendation within the overall picture. These conclusions are based on experience in similar situations in other parts of the country.

3. Technical Research staff

Another key to successful accomplishment of such a project is retention of a highly qualified impartial staff to perform the actual work of conducting the study and preparing recommendations to the Commission. It is strongly recommended in this particular instance that a nationally recognized consulting firm or group (which might be accomplished by selecting one or two recognized experts who in turn would establish a competent research team) which has had specific recent experience in this field be retained for this purpose and be given complete freedom in conduct of research and preparation of recommendations. Since the Commission may not wish to assume the responsibility for selection of such an organization, it is further recommended that the Commission select a committee to act as agent to consist of deans and prominent faculty members now teaching in the field of government administration in local colleges and universities.

4. Financing the Project

In the past, both the City and the County of Los Angeles, the Los Angeles Chamber of Commerce, private taxpayers' groups, and Foundations have financed individual studies in this area. In other major metropolitan areas, financing has been obtained from a variety of sources, both public and private:

- a. The Haynes Foundation has supported several metropolitan studies in the Los Angeles area.
- b. The Metropolitan Region Study in New York now being conducted by Harvard Graduate School of Public Administration is supported by grants from the Ford Foundation and the Rockefeller Brothers Fund.
- c. A series of research projects in the New York Metropolitan Area is being undertaken by the Department of Public Law and Government of Columbia University, with the support of the Ford Foundation.
- d. St. Louis Metropolitan Survey is financed primarily by the Ford Foundation, with an additional grant by the McDonnell Aircraft Corporation Charitable Trust of St. Louis.
- e. The Edgar B. Stern Family Fund has provided the financing for a metropolitan research project now being conducted by the Institute of Public Administration and a number of scholars in various parts of the nation.
- f. Local foundations are supporting a survey in Houston, Texas--the Harris County Home Rule Commission.

One of the functions of the Commission will be to determine the means by which the project will be financed. Men in our local universities can contribute valuable guidance in this matter.

C. Plan of Operation

1. Phase I - Public Education and Information

The first portion of this program will be the creation of a favorable climate in the community. This will include the education of the general public as well as other public agencies, specialized interest groups, etc., in the nature of the problems presently existing, the certainty of further confusion and higher cost in local government as the community grows and the obvious necessity to act now to correct the situation. This will necessitate the creation of a comprehensive program of public information to be disseminated through the mass media, conferences, personal appearances before community groups, and other outlets to the public. Here again is an important failing in past efforts in Los Angeles and should become one of the keystones upon which the program will be based.

2. Phase II - Conduct of Study by Technical Staff

The second stage of the operation will be the employment of technical staff and the conduct of the study itself. As mentioned earlier, a substantial disservice to the community will be done if "strings" are attached or undue influence is exercised toward any person or group who may undertake the study. The best interests of the community

will be served only through impartial analysis without regard to the individual desires of special interest groups. It will be the responsibility of the technical staff to consult with all advisory committees appointed by the Commission, as well as with the Commission itself. Every effort should be made by the technical staff to draw on the energies of the community and encourage participation wherever possible. Only in this way will community interest be generated and sustained.

3. Phase III - Commission Final Report

The technical staff will complete its report and recommendations and make a final presentation to the Commission. The Commission will then have the job of analyzing the report, making such revisions or changes as it may deem appropriate and make plans for presentation of the program to the community. It is at this time where its membership will be most important. The mechanics of presentation will be definitely secondary to the type of person and organization represented at this critical phase of the project. Here again an integrated program of public information will be an essential tool in creating a willingness on the part of the general public to undertake a change in their form of local government.

4. Phase IV - Implementation of Commission Recommendations

The final stage of the program will be the follow-up of specific recommendations to insure the installation and adoption of the Commission report. The Commission must

accept the responsibility of being the public watchdog of this phase of the project and must follow it through to successful completion. They should be prepared to aid existing or new agencies to establish themselves in their revised roles and to counteract any lack of action on the part of legislative bodies, including the State Legislature. The lack of extension of responsibility of the Commission into this phase of the project is also a common failing of past efforts to solve the metropolitan government problem. We feel that continuing their work in this area is of crucial importance.

The foregoing outline will, in our opinion, lay the foundation for the eventual establishment of a form of government which can cope with our metropolitan problem while at the same time retain the identity and direct representation of the individual localities within the larger community. We repeat that this is the result of considerable thought as well as consultation with nationally recognized experts in the field of metropolitan area government and it is, in our opinion, the only way in which such a program could be successfully accomplished in this County.

Feeling confident that your Board will concur in the above, it is recommended that the following course of action be followed, step by step, to activate a Los Angeles Metropolitan Study Commission.

1. That the Chairman of the Board of Supervisors personally meet with the President of the Los Angeles Division of the League of California Cities, and the Mayor of the City of Los Angeles,

to discuss this problem, and that these three parties then convene a meeting of the Board of Supervisors, Board of Directors of the Los Angeles Division of the League of California Cities, the Mayor of the City of Los Angeles, President of the Los Angeles City Council, the Dean of the School of Public Administration, University of Southern California and the Director of the Bureau of Public Administration, University of California at Los Angeles--this group (to be referred to as the Activation Committee) to review this letter, consider the problem, and to establish a common front for a joint proposal, and move forward.

2. That a Temporary Organization Committee be appointed by the Activation Committee from among those attending, to perform the following service and report back to the Activation Committee:

- a. Propose a list of candidates for the Los Angeles Metropolitan Area Study Commission, and
- b. Prepare a scope of project statement and list of instructions to include, but not necessarily be limited to, a statement that:

Whereas, the various agencies of local government in the Los Angeles area are aware of the growing problems of government in a metropolitan area and desire an active program to solve these problems, and

Whereas, no one or group of these agencies desires to conduct a study itself or to dominate the conduct of such a study and the preparation of recommendations for improvement,

Now, therefore, Be It Resolved

That in the public interest a Los Angeles Metropolitan Area Government Study Commission representing a true cross section of the Los Angeles Metropolitan community is charged with the responsibility to formulate, conduct and effect such a study.

The various public agencies in the Los Angeles Metropolitan Area will cooperate wholeheartedly and will put forth all available effort necessary in the provision of information and other services as may be requested by the Los Angeles Metropolitan Area Study Commission, and

The Commission will wholeheartedly and without restraint accept the responsibility to seriously conduct an independent study, free from localized influence and prejudice, and agrees to present as practical, workable recommendations as it is capable of, for a solution to the governmental dilemma of the metropolitan area of Los Angeles County.

3. That the Activation Committee discuss and act upon the report of the Temporary Organization Committee, and proceed to appoint members to the Los Angeles Metropolitan Study Commission, and present to such Commission a statement of the scope of the study and list of instructions--with the request that the Commission immediately organize itself and proceed with the task.

Very truly yours,

ARTHUR J. WILL
Chief Administrative Officer